





Corporate Highlights

Maclean Hunter Limited

	1980	1979	% Increase
Operating Summary (\$000's)			
Revenue	313,835	240,126	31%
Consolidated net income	21,273	16,604	28%
Per Share Data⁽¹⁾			
Earnings per share			
Basic	76.0¢	61.5¢	24%
Fully diluted	71.4¢	61.5¢	16%
Dividends per share	23.75¢	19.375¢	23%
Shareholders' equity per share			
Basic	\$2.66	\$2.05	30%
Fully diluted	\$3.60	\$2.05	76%
Financial Position at Year-end (\$000's)			
Working capital	38,186	13,328	187%
Total assets	283,139	200,011	42%
Long-term debt	117,027	60,121	95%
Shareholders' equity	74,793	56,523	32%
Ratios			
Current ratio	1.7 to 1	1.2 to 1	
Debt to equity ratio	1.6 to 1	1.1 to 1	
Operating return on revenues	16%	16%	
Operating return on average net assets employed	33%	41%	
After tax return on average net assets employed	15%	18%	
After tax return on average shareholders' equity	32%	34%	

(1) Adjusted to reflect the two-for-one stock split of April 30, 1980 and the January 1981 Class Y stock dividend (see note 10(a) on page 32).

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Directors' Report

Through the efforts of its 4,469 employees Maclean Hunter achieved the following results in 1980:

Basic earnings per share of 76.0¢, an increase of 24%;

Consolidated net income of \$21,273,000, up 28%;

Revenues of \$313,835,000, an improvement of 31%.

Diversity within its specialty of communications has been the keynote of Maclean Hunter's development. Just 15 years ago in 1965, when we became a public company, our primary business was publishing which was reflected in our name, The Maclean-Hunter Publishing Company Limited. From that publishing base, we have diversified significantly through the past 15 years into a wide variety of communications-oriented business segments. Our operations now include: periodical publishing, cable television, radio and television broadcasting, business forms, book distribution, industrial and trade shows, commercial printing, radio paging and a number of additional communications or information services.

Although its primary base of operations is Canada, serving both English and French-speaking Canadians, the company has significant operations in the United States (business publications, cable television and business forms) and in the United Kingdom (business publications). We also have joint venture rate and data publications in five European countries.

Our growth has been built on ideas and services, a pattern which is highly dependent on people. We have always been fortunate in having such a high calibre of employees. They have contributed greatly not only to the development of the corporation, but also, through the corporation's activities, to the betterment of business, communications and cultural affairs in Canada. We want to take this opportunity to thank our employees for their excellent service.

Because of our desire to recognize and further encourage the contributions of our employees, and to give them a tangible participation in the company's future, we have a number of programs whose purpose is to make as many employees as possible shareholders. For management employees, we have a stock participation plan. In addition, for a wider base of employees, we have a deferred profit sharing plan which is based on Maclean Hunter shares. This year we introduced an anniversary share plan which encourages our employees to build their career with the company.

In our various share ownership plans we now have approximately 3,225 or 72% of our permanent employees. Increasing employee ownership is an ongoing goal of the corporation.

A corporate development of note during the year was the reorganization of the capital structure of the company which resulted in the issuance of two new classes of shares in place of our previous Class A and Class B shares. We now have Class X voting shares and Class Y non-voting shares. More detailed information on the new structure as well as other investor information is outlined on the outside back cover of this annual report.

In June, the company received payment of \$50 million from the issuance of 8.5% convertible debentures. The proceeds, after deducting underwriting commissions and other costs of the issue, were used to retire all Canadian bank loans and the balance is invested in short term funds. We estimate the interest savings achieved in 1980 as a result of this development to be approximately \$1,200,000, before tax.

During the year Maclean Hunter adopted a new corporate graphics program to more accurately reflect the progressive, diversified organization that we have become. The

change includes a new corporate symbol, corporate signature and corporate colors which are reflected throughout this annual report. This corporate identification program was designed to symbolize diversification, communications and organization.

Nineteen-eighty was a successful year for each of our operating segments, with the following gains in income: publishing, up 35%; broadcasting, a 13% gain; cable television, 6% growth; business forms, a 179% improvement; other activities, up 15%.

The consumer magazine division had its best year to date with the major publications setting new highs for advertising lineage. Now in its second year of publishing as Canada's weekly newsmagazine, Maclean's has become a national force keeping Canadians informed about events in Canada and around the world affecting their lives.

In business publishing, the Business Publications Division was reorganized to build for further future growth. The Financial Post's profits improved significantly over 1979. The Post won a number of important awards including significant professional recognition for its 1980 redesign.

Business forms in 1980 became the second largest revenue producer, following publishing. The increase is primarily a reflection of the operations of Transkrit, a specialty forms manufacturer located in Elmsford, New York, which we acquired in January of 1980. During the year, Transkrit's volume was \$27,505,000 (U.S.).

Our radio and television broadcasting operations both met and surpassed our commitments to the Canadian Radio-Television and Telecommunications Commission. In granting license renewals to a number of our stations, the CRTC made particular comment on the quality of service being offered listeners. Important innovations during the year included the launching of the John Gilbert Night Talk Show by CKEY, Toronto, and the reintroduction of private radio networking to Canada by our Newsradio operation. During the year, Maritime Broadcasting, which operates CHNS-AM and CHFX-FM in Halifax, completed its first year as a Maclean Hunter broadcasting operation. We will continue to stress the importance of excellent news and information programming in our broadcast segment.

Nineteen-eighty was a year of accomplishment for our cable television operations. Having acquired 16 new franchises in 1979, significant efforts went into the construction of plant in a program to bring those areas on service. We have applications on file for further important franchise areas which will be decided during the year.

Wayne Cablevision, our cable operation in Allen Park, Michigan, is a "state of the art" system which began operating its 54-channel service in 1980, the first cable operation in North America to offer this degree of service. This system offers three pay television channels.

In our other operations which include book distribution, industrial and trade shows, and personalized radio paging, growth continues to be steady. Industrial Trade Shows was a strong contributor to this segment with its best year to date in 1980.

Significant growth was achieved by the company in the decade ending 1980. Comparing 1970 with 1980 we see a growth in revenues from \$61,141,000 to \$313,835,000. In the same period, consolidated net income grew from \$3,095,000 to \$21,273,000. Total assets improved from a level of \$49,564,000 to \$283,139,000.

There were a number of acquisitions and startups at Maclean Hunter Limited during 1980 as well as several divestitures.

The following is a list of profit centres which were started up during 1980: Le Courrier médical (Canadian publication); Contract Canada (Canadian publication); Canada In The World of Electronics (Canadian publication); The Canadian Offshore Resources Exposition and Conference, 1981 (Canadian Show); The Texas Computer Show, 1982 (US Show).

The following properties or franchises were acquired: Medical Digest (UK publication); the remaining 50% of Canada Farm Show (Canadian Show); Transkrit Corporation (US business forms operation); Savoy Business Forms (Canadian business forms operation); cable franchises: Jersey City, New Jersey (subject to New Jersey PUC approval) and City of Taylor, Michigan.

The following properties were sold: Macmillan of Canada (Canadian publishing operation); Metro Home Theatre Inc. (US pay TV operation); Corena Limitada (South American publishing operation); Men's Wear of Canada (Canadian publication); Montreal Graphic Arts Show (Canadian show).

The following properties were discontinued: Fraser's Construction and Building Directory (Canadian publication); Men's Wear Canada/L'Homme et la Mode (Canadian shows).

Effective January 1, 1981, the company purchased the assets and operations of The American Communications Group, New York, which includes: Progressive Grocer and C-Store Business magazines; Maclean Hunter Learning Resources (formerly Butterick Publishing); and a data marketing service. Also in January we acquired Source Data Control Ltd., a business forms operation in Brampton, Ontario.

The company is continuing with its program of reducing corporate complexity where possible and to effect operating economies. As part of this approach a reorganization process was begun in 1978. During 1980 there were a number of changes which are outlined in the financial review section starting page 5 and in the corporate structure chart on pages 12 and 13.

Indicative of Maclean Hunter's founding as a publisher, activities in the publishing area form the largest single segment of our operations and represent 48% of our overall revenues.

Our company has grown from being primarily a publisher to a diversified communications entity of significant size. Statistics published in The Financial Post 500 rank Maclean Hunter as 174th in terms of sales, 171st in assets and 147th by net income.

Moreover, on a comparative basis with other companies in publishing, printing/business forms, broadcasting and cable TV, we are the fifth largest in sales.

Of all the circulation of Canadian consumer magazines, 10.6% is accounted for by the 64.1 million copies of our consumer magazines.

Of all Canadian broadcast revenues, our operations account for 3.4%.

Of the total business publication circulation in Canada, 22% is accounted for by Maclean Hunter business publications.

In business forms, our operations are the fourth largest in Canada in terms of sales.

Approximately 7.1% of Canadian cable television subscribers are on our systems resulting in Maclean Hunter Cable TV operations accounting for 7.6% of Canadian cable television revenues.

In our expansion program, we have always maintained a strong entrepreneurial attitude of encouragement towards start-ups and we have had notable successes with start-ups in publishing, broadcasting and trade shows for example. We found, however, as we tried to expand and diversify that the solid growth we sought could best be accomplished through buying strong, well positioned companies in those markets which interested us. Some of our acquisitions did not turn out well. It was from some of our disappointments, however, as well as our successes that we were able to develop a strong set of criteria which governs our present acquisition, start-up and divestiture policy.

There are a number of key points indicated in our policy: (a) although we are oriented towards diversification, it will

be directed towards communications activities such as those in which we are already involved and will deviate only if the proposed activity represents a significant strengthening impact; (b) unless a "new concept" venture can be thoroughly documented as an outstanding opportunity, we will not pursue it; (c) as part of the criteria in our corporate plan, all existing and new properties will achieve a minimum after tax rate of return on net assets employed of 12%; (d) in our activities, the company will own at least a majority interest or legal control.

The policy points noted above are part of a corporate plan which is reviewed and updated on an ongoing basis.

Since the year end, Matthew B. Fyfe has been appointed vice-president in charge of all of our printing operations which includes the printing of our own publications as well as Commercial Printing Sales, our operation which does printing work for outside clients. During the past year, Mr. Fyfe had served most capably as Maclean Hunter's vice-president of Finance. He directed activities concerning our convertible debenture issue and the capital restructuring. He has also held the positions of treasurer of Maclean Hunter Limited and controller of the Maclean Hunter Business Publishing Company. Prior to joining Maclean Hunter, he spent a number of years in printing operations.

John H. Greenhough, who was previously vice-president of printing operations as well as being responsible for our Canadian business forms operations, will now concentrate solely on business forms as president and chief executive officer of Data Business Forms Limited. During his involvement in our printing operations, the Plant has added to its capacity and has completed installation of one of the most modern offset preparatory operations in North America.

Our new vice-president of Finance is Ronald W. Osborne, who prior to his appointment was a partner at Clarkson Gordon. He assumed his responsibilities with Maclean Hunter in March of 1981.

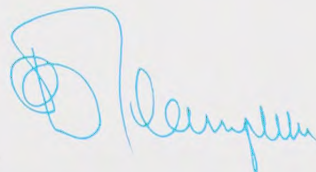
Maclean Hunter takes pride in contributing to worthwhile charitable and cultural organizations throughout Canada. This support includes time given to such organizations by our executives, managers and staff. Corporate cash donations and free advertising by our publications and broadcasting operations accounted for \$3.7 million in 1980. In addition to such support, our cable television operations air substantial material on behalf of charitable and cultural organizations as part of their community programming.

In positioning itself for growth in the 1980's Maclean Hunter will seek to further these major corporate goals: to produce profits through offering excellence in its products and services; to create a rewarding working environment for its employees; and to build a strong and united Canada.

Although we are not facing an economy with a forward thrust, we consider it an environment in which we can improve our growth, barring any outside changes over which we have no influence.

On behalf of the board:

Donald G. Campbell
Chairman and
Chief Executive Officer



Frederick T. Metcalf
President and
Chief Operating Officer



Financial Review

Nineteen eighty was a year of continued growth for Maclean Hunter Limited.

Results from Operations

- Revenues up 31%
- Operating income up 30%
- Consolidated net income up 28%
- Basic earnings per share up 24%
- Fully diluted earnings per share up 16%

This is the sixth consecutive year in which consolidated net income and basic earnings per share have increased by at least 24%. Since 1970, basic earnings per share have increased from 9.7¢ to 76.0¢, an average annual compounded rate of growth of 23%.

Net income from continuing operations has increased to \$21.9 million (or 78.1¢ per share) from \$17.3 million (or 63.9¢ per share). The loss from discontinued operations amounted to \$606,000 (or 2.1¢ per share) in 1980 compared to \$655,000 (or 2.4¢ per share) in 1979.

Revenues

Revenues from continuing operations in 1980 increased by \$73.7 million or 31% over 1979. Approximately one-half of this increase in revenues was attributable to new businesses acquired or started during 1980. As a result of these new businesses, the proportion of the Company's total revenues contributed by sources other than advertising increased from 49% in 1979 to 53% in 1980.

All business segments reported increased revenues in 1980; three of the five segments recorded revenue increases of over 20%. Business Forms revenues increased by \$34.5 million or 163%, due largely to the acquisition of Transkrit Corporation. Cable TV revenues increased by 23%, followed by Broadcasting at 22%, Publishing at 17% and Other activities at 8%.

Operating Income

Operating income increased by \$11.2 million, or 30%, in 1980. Operating income from Business Forms almost tripled during 1980 to \$8.3 million, from \$3.0 million in

1979. This increase is largely attributable to the acquisition of Transkrit. Publishing recorded a 35% increase in operating income.

The following is a brief review of the five major segments of the Company.

Publishing

Total revenues increased by \$22.1 million, from \$128.1 million in 1979 to \$150.2 million in 1980. Revenue from the Financial Post publishing operations increased by 21% during 1980, followed by business publications at 19% and magazines at 15%.

Revenue from business publications outside Canada increased by 23%. The acquisition by Maclean Hunter Limited (Britain) of the publication "Medical Digest" and the weakness of the Canadian dollar relative to the U.K. pound and the U.S. dollar contributed to this growth.

Maclean's magazine was the largest single contributor to the growth in magazine revenue with an increase of over 20%. Strong revenue gains were also made in our other consumer magazines.

Although the percentage of total revenues contributed by the Publishing operations decreased from 53.3% in 1979 to 47.9% in 1980, the percentage of total operating income contributed by Publishing increased from 25.2% to 26.3% of total operating income. The major factors accounting for the increase in Publishing operating income were the strong performance of The Financial Post operations and the improved performance of Maclean's magazine and of the special interest magazines acquired by the Company in 1978.

The rate of return on Publishing revenues increased from 7.4% in 1979 to 8.6% in 1980. The operating return on average net assets employed was 64% in 1980.

Broadcasting

Broadcasting revenues increased by \$6.9 million to \$38.6 million, an increase of 22%. A portion of the increase is attributable to Maritime Broadcasting Company, Limited which was acquired in September 1979. In addition, CFCN, our Alberta broadcasting operation, recorded strong growth in revenues.

Operating income for the Broadcasting group increased by \$1.2 million, or 13%, over 1979. Operating income from

Revenue			Operating Income			Return on Revenue		Net Assets Employed	Operating Return on Average Net Assets Employed	
1980		1979	1980		1979	1980	1979	1980	1980	1979
\$000's	%	%	\$000's	%	%	%	%	\$000's	%	%
228,097	72.7%	82.6%	35,123	71.9%	77.9%	15.4%	14.8%	82,184	47.9%	48.1%
85,738	27.3%	17.4%	13,754	28.1%	22.1%	16.0%	20.0%	85,340	18.9%	27.3%
313,835	100.0%	100.0%	48,877	100.0%	100.0%	15.6%	15.7%	167,524	33.5%	41.1%
150,153	47.9%	53.3%	12,842	26.3%	25.2%	8.6%	7.4%	23,188	64.0%	66.8%
38,571	12.3%	13.2%	10,179	20.8%	23.8%	26.4%	28.4%	16,846	60.9%	58.6%
46,574	14.8%	15.8%	13,795	28.2%	34.5%	29.6%	34.2%	84,992	20.0%	26.7%
55,605	17.7%	8.8%	8,328	17.1%	7.9%	15.0%	14.1%	34,510	25.9%	41.1%
22,932	7.3%	8.9%	3,733	7.6%	8.6%	16.3%	15.3%	7,988	47.3%	53.1%
313,835	100.0%	100.0%	48,877	100.0%	100.0%	15.6%	15.7%	167,524	33.5%	41.1%
Add: Goodwill deducted in arriving at segmented income			932					56,597		
								17,149		
								14,239		
Less: Interest expense			(7,878)					Total identifiable assets	255,509	
								Add: Short-term investments	21,457	
								Investments and advances	6,173	
Income before income taxes			41,931					Total assets	283,139	

Broadcasting accounted for 21% of consolidated operating income although Broadcasting revenues accounted for only 12% of total revenues. Broadcasting operations showed a return on revenues of 26.4% and an operating return on average net assets employed of 60.9%.

Cable TV

Cable TV revenues increased by \$8.6 million from \$38.0 million in 1979 to \$46.6 million in 1980, an increase of 23%. The growth in revenues results from the acquisition by Maclean Hunter Cable TV Limited of additional cable TV assets and operations in the Metropolitan Toronto area, the growth of Suburban Cablevision and the development of new cable TV franchises in the Detroit area.

Growth in operating income was only 6% compared to the 23% growth in revenues. This is due largely to start up losses incurred in new cable TV systems being developed and to the costs of obtaining new franchises in the United States. Cable TV shows the highest return on revenues of all business segments but the lowest return on net assets. This reflects the large capital investment required in the cable TV industry. Both return on revenues and operating return on net assets employed have decreased in 1980 from 1979 due to the development of new systems.

Business Forms

The acquisition of Transkrit Corporation and Savoy Business Forms Limited has made Business Forms the second largest contributor to revenues. Revenues increased by \$34.5 million from \$21.1 million in 1979 to \$55.6 million in 1980. Operating income increased by \$5.3 million, from \$3.0 million to \$8.3 million. The rate of return on revenues increased from 14.1% in 1979 to 15.0% in 1980 while the operating return on net assets employed decreased from 41.1% to 25.9%, reflecting the Company's increased investment in Business Forms during 1980.

Other activities

Revenues increased \$1.7 million in 1980, an increase of 8% over 1979. Operating income increased by \$0.5 million or 15% over 1979. The rate of return on revenues increased from 15.3% in 1979 to 16.3% in 1980.

In September 1980, the Company acquired the remaining 50% ownership in Trans Canada Expositions Limited, which produces the annual Canada Farm Show in February.

Foreign Operations

The Company's foreign operations have continued to expand. Businesses in the United States and the United Kingdom, which accounted for 17.4% of total revenues in 1979, accounted for 27.3% of revenues in 1980. The percentage of operating income contributed by operations outside of Canada grew from 7% of total operating income in 1976 to 28% in 1980. Net assets employed in our foreign operations now exceed net assets employed by our Canadian operations.

During the year, the Company acquired Transkrit Corporation of Elmsford, New York, a specialty business forms company. This acquisition represents our first venture in the business forms industry outside of Canada.

Our U.S. cable TV operations continued to grow as Suburban Cablevision of New Jersey increased its subscriber base. In addition, Wayne Cablevision and Metro Cablevision, located in the Detroit area, began generating revenues in August 1980.

Foreign exchange gains or losses are determined based on the policy described in note 1 to the financial statements. In 1980, a net loss of approximately 0.6¢ per share resulted on the translation of foreign currency balance sheets, compared with a loss of approximately 0.02¢ per share in 1979.

Operating Expenses

The table on page 8 shows the relative size of the major operating expenses within each of our business segments. These expenses exclude interest expense which is

considered by the Company to be a corporate expense.

Salaries and benefits remain the largest single cost reflecting the fact that people are our most important resource.

Depreciation expense, which is included in property costs, has increased by 33%, from \$10.2 million in 1979 to \$13.5 million in 1980. This increase is largely a result of our growth in the business forms and cable TV industries.

Interest Expense

Interest costs were \$7.9 million in 1980 compared to \$5.8 million in 1979, an increase of 35%. The increase in interest expense reflects the cost of additional debt incurred during the year as well as increases in the bank lending rates during 1980. The Canadian prime bank rate has moved from 15% at the beginning of 1980 to 18¼% by the end of 1980. The United States prime bank rate has moved from 15¼% to 20½% during the same period.

Approximately 25% of the long-term loans bear interest at a rate related to bank prime rates compared to 43% at the end of 1979, due largely to the issuance of \$50 million 8½% convertible debentures.

Interest expense is net of interest income of \$2.2 million in 1980 compared to \$0.6 million in 1979. In addition, interest costs of \$2.3 million (\$1.5 million in 1979), resulting mainly from the construction of U.S. cable TV systems, were capitalized during the year.

Income and Other Taxes

The effective rate of taxes on income has increased from 43.8% in 1979 to 43.1% in 1980. The increase is largely due to the 5% surtax on income taxes which was introduced in the April 22, 1980 federal budget.

In addition to the \$18.9 million of income taxes reported in the Consolidated Statement of Income, the Company made additional tax payments of over \$13 million during the year. These included payments of employment taxes, property taxes, capital tax, licenses and other government mandated fees but excluded all federal and provincial sales taxes included in the price paid for goods purchased by the Company. Income and other taxes represent approximately 10% of our total revenues.

The Company also collected over \$21 million on behalf of governments in 1980, including income taxes and other deductions from employee earnings. The payment of these additional taxes is a direct result of the operations carried on by the Company.

Amortization of Goodwill

Amortization of goodwill has increased by 71%, from \$544,000 in 1979 to \$932,000 in 1980, as a result of acquisitions made by the Company. The total goodwill arising on the 1980 acquisitions amounted to \$15.8 million.

Loss from Discontinued Operations

During the year, the Company sold the assets of the book publishing business operated by Macmillan of Canada and the assets of Metro Home Theatre, Inc., a pay TV operation in Metropolitan Detroit.

The total loss from discontinued operations amounted to \$606,000 in 1980 compared to an operating loss of \$655,000 in 1979. The results of these operations have been segregated from the results of continuing operations in the financial data presented in this annual report for 1980 and all prior years.

Dividends

Dividends declared per share increased by 23% from 19.375¢ in 1979 to 23.75¢ in 1980. In July 1979, the Maclean Hunter Board of Directors approved a dividend policy of approximately 40% of after-tax earnings of the previous year.

In declaring the dividend, the Board of Directors considered the Company's excellent earnings growth over the last five years, the shareholders' desire for a steadily increasing return on their investment, as well as the Company's requirements to finance future growth.

Debt

In June 1980, the Company received payment of \$50 million from the issuance of 8½% convertible debentures. The proceeds, after deducting underwriting commissions and other costs of the issue, were used to retire all Canadian bank loans and the balance is invested in short-term funds. By December 31, 1980, \$280,000 of the debentures had been converted into capital stock.

During 1980, the Company arranged revolving lines of credit totalling \$39 million U.S. with two banks in the United

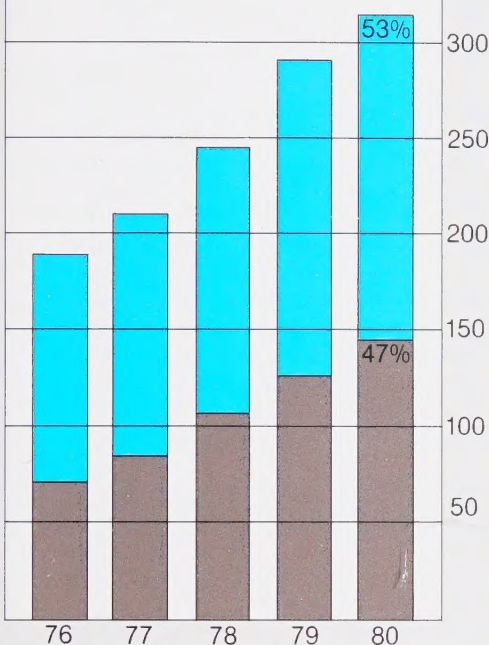
States. These lines were used to finance the acquisition of Transkrit Corporation and the development of our U.S. cable TV franchises.

Although our long-term debt increased by \$56.9 million to \$117.0 million as at December 31, 1980, our net debt position (all borrowings less cash and short-term investments) has only increased by \$38.6 million. Approximately \$88 million, or 73%, of our total long-term debt (including the portion due within one year) bears interest at rates of 11% or less.

Revenue

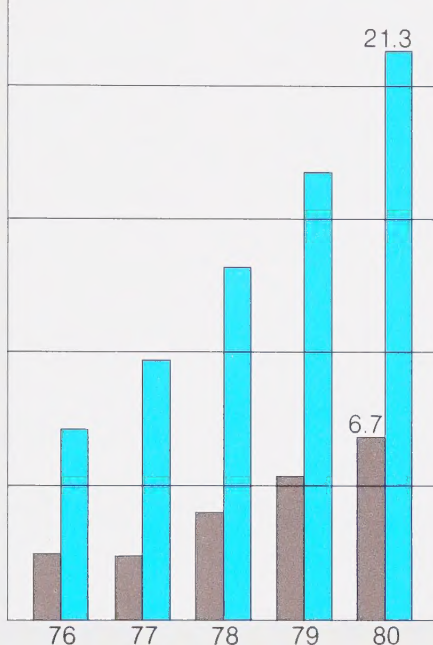
Non-advertising revenue
Advertising revenue

(\$ millions)



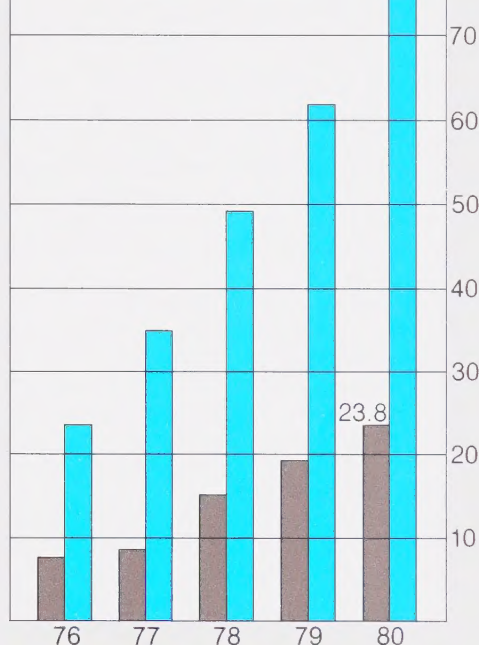
Consolidated Net Income Dividends (net)*

(\$ millions)



Basic Earnings per Share** Dividends per Share

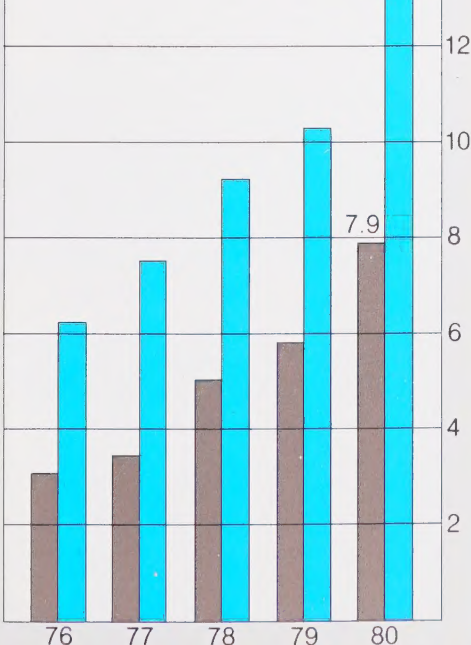
(in cents)



*Adjusted for dividends on shares eliminated to reflect the Company's indirect interest in its own shares.

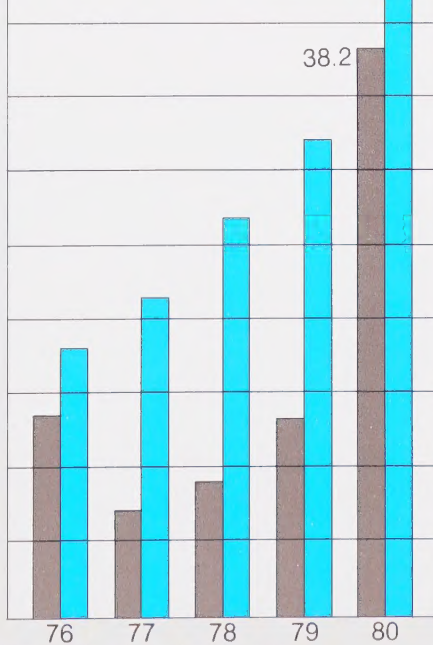
Depreciation and Amortization Interest Expense

(\$ millions)



Funds provided from Operations Working Capital

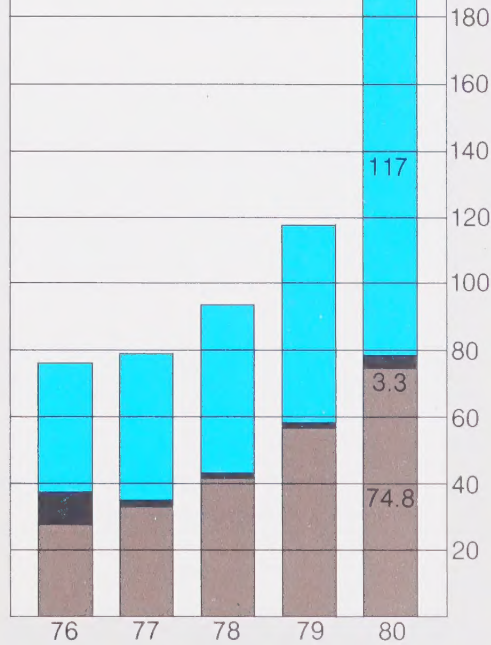
(\$ millions)



Capitalization

Long-term debt
Minority interest
Shareholders' equity

(\$ millions)



**Based on effective number of shares outstanding after elimination for indirect interest in own shares.

The debt to equity ratio (long-term debt in relation to total shareholders' equity) increased from 1.1:1 at the end of 1979 to 1.6:1 at the end of 1980. If the 8½% convertible debentures had been fully converted at the end of 1980, the debt to equity ratio would have been 0.5:1.

Working Capital

The working capital of the Company increased by \$24.9 million from \$13.3 million in 1979 to \$38.2 million in 1980. The largest source of working capital was the proceeds of the debenture issue which amounted to \$48.7 million (after deducting issue expenses). Operations contributed \$44.3 million to working capital.

The major applications of working capital were for additions to property (\$44.1 million), reduction in long-term debt (\$30.6 million) and acquisitions of businesses (\$26.9 million).

As at December 31, 1980, the Company had short-term deposits of \$21.5 million, consisting mainly of the unapplied proceeds from the debenture issue.

The current ratio (current assets over current liabilities) as at December 31, 1980 was 1.7:1 compared to 1.2:1 as at December 31, 1979.

Properties

Property additions in 1980 totalled \$55.1 million including \$11 million reflected as part of business acquisitions.

The additions to property consist primarily of \$37.3 million in Cable TV property, plant and equipment and approximately \$6.8 million in new equipment, furniture and fixtures.

Education and Training

The Company continues to emphasize special training and development of our employees. The Company has provided in-house seminars for the development of "people skills" and has encouraged participation by employees at technical sessions and conferences. Over \$320,000 was spent during the year to supplement regular on-the-job training.

Pension Plans

Substantially all employees of the Company are covered by pension plans with assets in excess of \$56 million at December 31, 1980. Company contributions for the pension plans amounted to approximately \$2.5 million. There are no significant unfunded past service liabilities, based on the latest actuarial valuation reports.

The Company also has a deferred profit sharing plan to provide additional benefits to most employees upon retirement. Company contributions to the plan amounted to approximately \$1.6 million in the year.

Capital Structure Changes

On April 30, 1980, a two for one stock split was approved by the shareholders of the Company. The purpose of the split was to make the shares of the Company more readily available to the investing public, thus ensuring a wider distribution of the Company's shares.

On December 22, 1980, shareholders approved

resolutions authorizing the Company to change its capital structure by reclassifying the existing Class A and Class B voting shares of the Company into Class X voting shares and creating a new class of Class Y non-voting shares. On January 30, 1981, a special stock dividend of Class Y shares was distributed on a one-for-one basis upon the reclassified Class X voting shares to shareholders of record on January 7, 1981.

The Class A and Class B shares were originally created in order to permit the declaration and payment of certain types of dividends which are no longer permitted under current tax legislation. As a result, the continued division of the issued capital into two separate classes of voting shares is no longer necessary.

In addition, the capital reorganization created a class of non-voting Class Y participating shares. The Company must maintain a degree of Canadian control in order to obtain and renew broadcasting licenses and to maintain the status of its publications as Canadian periodicals for purposes of the Income Tax Act (Canada). The present Canadian status of the Company could be jeopardized if future acquisitions were to involve the issuance of voting shares to non-residents whereas the use of non-voting shares for this purpose would be acceptable in certain circumstances. The Company intends to apply for a listing of its Class Y shares on the NASDAQ (over-the-counter) system in the United States.

All references in this report to per share data for 1980 and prior years have been restated for the effect of the Class Y stock dividend and the two-for-one stock split.

Corporate Reorganizations

In an attempt to reduce the complexity and costs of the corporate structure, the Company continued the process of reorganizations which began in 1978.

During 1980, the following amalgamations were completed:

- 1) The amalgamation of Special Interest Magazines Limited, The Macmillan Company of Canada, Limited, National Book Centre of Canada, Ltd., Fraser's Trade Directories Company Limited and M H Communications Limited with Maclean Hunter Limited.
- 2) The amalgamation of CKEY Limited and CKOY Limited to form a new company, KEY Radio Limited.
- 3) The amalgamation of Newsradio Limited with Stephens and Towndrow Co. Limited.

In December 1979, a new U.S. holding company, Maclean Hunter, Inc., was formed to hold the Company's U.S. subsidiaries. Ownership of the Educational ABC's of American Industry, Inc. was transferred to the new company in December 1979 and ownership of Maclean Hunter Publishing Corporation (United States) was transferred in January 1980. In order to facilitate the transfer of Maclean Hunter Publishing Corporation, our Netherlands subsidiary Maclean Hunter B.V. was liquidated.

Breakdown of Expenses included in Operating Income

	Publishing	Broadcasting	Cable TV	Business forms	1980 Total	1979 Total
Salaries and benefits	47%	47%	32%	40%	43%	48%
Paper and ink	12%	—	—	37%	13%	12%
Postage expense	6%	—	1%	—	4%	4%
Outside printing	7%	—	—	3%	4%	4%
Communication costs	3%	2%	1%	1%	2%	2%
Energy costs	1%	1%	2%	2%	1%	1%
Property cost (depreciation, leasing)	5%	5%	30%	4%	9%	9%
Broadcasting program rights	—	13%	13%	—	3%	1%
All other	19%	32%	21%	13%	21%	19%
Total	100%	100%	100%	100%	100%	100%

Ownership in Maclean Hunter Limited (Britain) was transferred to the parent company as a result of this liquidation.

In January 1980, ownership in Maclean Hunter Cable TV, Inc. (a U.S. cable TV holding company) and its subsidiaries Metro Cablevision, Inc. and Wayne Cablevision, Inc. was transferred to Maclean Hunter, Inc.

In June 1980, a new company, Paul Mulvihill Ltd., was created to carry on the combined business of Stephens and Towndrow Co. Limited (an 80% subsidiary of KEY Radio Limited) and Paul Mulvihill Limited (a 49% owned affiliate of CFCN Communications Limited). Maclean Hunter Limited acquired a 40% interest in the new company. In conjunction with this reorganization, the assets of Newsradio were sold to KEY Radio and the operations of Stephens and Towndrow effectively ceased.

During the year, the Anthes and Redi-set Business Forms Divisions of Data Business Forms Limited were combined with the Data Business Forms Division.

In January 1981, Trans Canada Expositions Limited was amalgamated with Design Craft Limited.

Additional corporate reorganizations are planned for 1981.

1981
During 1981, the Company plans to develop new and existing cable TV franchises in the United States. In November 1980, the cable TV franchise for Jersey City, New Jersey, was awarded, subject to New Jersey Public Utilities Commissioners' approval, to Controlled Cable Corp. which will be 80% owned by a Maclean Hunter subsidiary in New Jersey. This franchise contains more than 85,000 potential subscribers. In addition, the Company currently has applications on file for cable TV franchises in Dearborn, Michigan and intends to apply for the City of Detroit, a major franchise containing over 450,000 homes.

In January 1981, Maclean Hunter Media Inc. acquired

the assets and operations of the American Communications Group from American Can Company. The company, which is located in New York City, publishes "Progressive Grocer" and "C-Store Business" magazines, supplies marketing data to the supermarket industry and markets home economics instructional materials. The revenues of these businesses were approximately \$11.9 million (U.S.) in 1980.

Planned capital expenditures in our U.S. cable TV operations and the acquisition of the assets and operations of the American Communications Group will be financed from funds generated through operations and through bank lines of credit.

In January 1981, Data Business Forms Limited, a wholly-owned subsidiary of Maclean Hunter Limited, acquired 90% of the equity of Source Data Control Ltd. The company, located in Brampton, Ontario, is a supplier of custom business forms and pressure sensitive labels for data processing and packaging users. The revenues of this company were approximately \$11 million for fiscal 1980.

We anticipate further growth in consolidated net income and earnings per share for 1981. However, maintaining the growth rates achieved in recent years will depend to some extent upon general economic conditions, including the cost of money and rates of inflation.

Selected Segmented Historical Comparisons

Segmented Income from Continuing Operations					
	1980 (\$000's) %	1979 (\$000's) %	1978 (\$000's) %	1977 (\$000's) %	1976 (\$000's) %
Geography					
Canada	35,123 72%	29,381 78%	22,726 79%	19,855 86%	18,461 93%
United States and United Kingdom	13,754 28%	8,334 22%	5,968 21%	3,257 14%	1,465 7%
Total segmented income from continuing operations	48,877 100%	37,715 100%	28,694 100%	23,112 100%	19,926 100%
Industry					
Publishing	12,842 26%	9,498 25%	8,122 28%	7,358 32%	4,523 23%
Broadcasting	10,179 21%	8,977 24%	7,270 25%	5,283 23%	5,457 27%
Cable TV	13,795 28%	13,005 34%	9,640 34%	7,429 32%	6,644 33%
Business forms	8,328 17%	2,986 8%	2,203 8%	1,862 8%	2,198 11%
Other activities	3,733 8%	3,249 9%	1,459 5%	1,180 5%	1,104 6%
Total segmented income from continuing operations	48,877 100%	37,715 100%	28,694 100%	23,112 100%	19,926 100%
Add: Goodwill amortization deducted from segmented income	932	544	781	326	53
Less: Interest expense	(7,878)	(5,818)	(4,904)	(3,447)	(3,079)
Income before income taxes	41,931	32,441	24,571	19,991	16,900

The Directors

Donald G. Campbell

Chairman and Chief Executive Officer
Age 55
Joined M H 1957.
Elected director 1959.
Has held various positions with the company including Controller; Vice-President, Finance; and Executive Vice-President, Broadcasting and Finance.
Chairman, Canadian Section, Commonwealth Press Union.
Trustee, Hospital for Sick Children.
Member of the Advisory Committee, School of Business Administration, University of Western Ontario.
Director, Toronto-Dominion Bank, Steinberg Inc., Texasgulf Inc.
Fellow of the Institute of Chartered Accountants.

Frederick T. Metcalf

President and Chief Operating Officer
Chairman, Maclean Hunter Cable TV Limited; Suburban Cablevision, New Jersey.
Age 59
Elected director 1969.



From left: Robert W. Robertson, Lloyd M. Hodgkinson, John M. Holton

Founding President, Canadian Cable Television Association.
Director, Canada Trust Company.

Paul S. Deacon

Vice-President, Maclean Hunter Business Publishing Company (Ottawa)
Age 58
Joined M H 1947.
Elected director 1972.
Has held various editorial and administrative positions with The Financial Post,

including Editor and Publisher.
Director, KEY Radio Limited.
Member, Advisory Council, Faculty of Administrative Studies, York University.
Board member and past president, National Ballet of Canada.
Member, executive of Men's Canadian Club of Ottawa.

F. William Fitzpatrick

Company director
Age 48
Elected director in 1978.
President and Chief Executive Officer, Bralorne Resources Limited.
Director, Mark Products, Inc., Versatile Corporation; CFCN Communications Limited.
Governor, Brentwood College.
Member, Calgary Advisory Board of Guaranty Trust Company of Canada.

George W. Gilmour

President, Maclean Hunter Business Publishing Company (Financial Post, Business Publications Division, International Publishing)
Age 63
Joined M H 1939.
Elected director 1963.
Has held various positions with the company including Group Publisher; Vice-President, Business Publications Division;

Vice-President, Financial Post Division and International Operations.
President, Art Gallery of Ontario.
Past President, Rotary Club of Toronto.

Lloyd M. Hodgkinson

Group Vice-President, Magazine Divisions; Publisher, Maclean's
Age 60
Joined M H 1942.
Elected Director 1964.
Chairman, Keg Productions Ltd.
Director, Quality Service Programs, Inc.
Vice-Chairman, Audit Bureau of Circulations.
President, Periodical Press Association.
Director, Mississauga Hospital.
Member, Magazine Association of Canada, Rotary Club of Toronto.
Has previously held position of Publisher for Chatelaine, Châtelaine, and L'actualité.

John M. Holton

Company director
Age 55
Elected director 1971.
President, Hunco Limited; Edgecliffe Holdings Limited.
Director, Glendale Spinning Mills Limited; Rostland Corporation.



From left: Donald G. Campbell, Paul S. Deacon

Arthur J. Little*Company director*

Age 67

Elected director 1974.

Retired in 1974 as a senior partner, Clarkson Gordon.

Directorships include Algoma Central Railway; Eaton's of Canada Limited; London Life Insurance Company; National Trust Company Limited; St. Marys Cement Limited. Governor, Appleby College. Fellow of the Institute of Chartered Accountants.

Peter C. Newman*Editor, Maclean's*

Age 51

Joined M H 1950.

Elected director 1972.

Has served The Financial Post and Maclean's in various editorial capacities.

Winner of numerous journalism prizes, including National Newspaper Award, Michener Prize, Quill Award and University of Western Ontario President's Medal. Honorary degrees from Brock University and York University.

Appointed Officer, Order of Canada. Author of many bestselling books.



From left: Peter C. Newman, George W. Gilmour, Frederick T. Metcalf

Gordon P. Osler*Company Director*

Age 58

Elected director 1976.

Chairman, Stanton Pipes

Limited; Slater Steel

Industries Limited.

Directorships include

Household Finance

Corporation; Inter-City Gas

Limited;

Interprovincial Steel and

Pipe Corporation Limited;

North American Life

Assurance Company;

The Toronto-Dominion

Bank; TransCanada

PipeLines Limited; The

Canadian Surety Company.

Robert W. Robertson*Vice-President,**Business Publications**Division, Maclean Hunter**Business Publishing**Company.*

Age 56

Joined M H 1942.

Elected director 1969.

Has held various positions with the company including Group Publisher; Executive Publisher.

Director, Canadian Business Press; Canadian Circulations Audit Board; Periodical Press Association.

Member, Business and Professional Advertising Association.

William P. Wilder*Company director*

Age 58

Elected director 1977.

President and Chief Executive Officer, Hiram Walker Resources Limited.

Directorships include John Labatt Limited; Noranda Mines Limited; Simpsons-Sears Limited; The Canada Life Assurance Company; Home Oil Company Limited; The Royal Bank of Canada; Scurry Rainbow Oil Limited; Hiram Walker Gooderham-Worts.

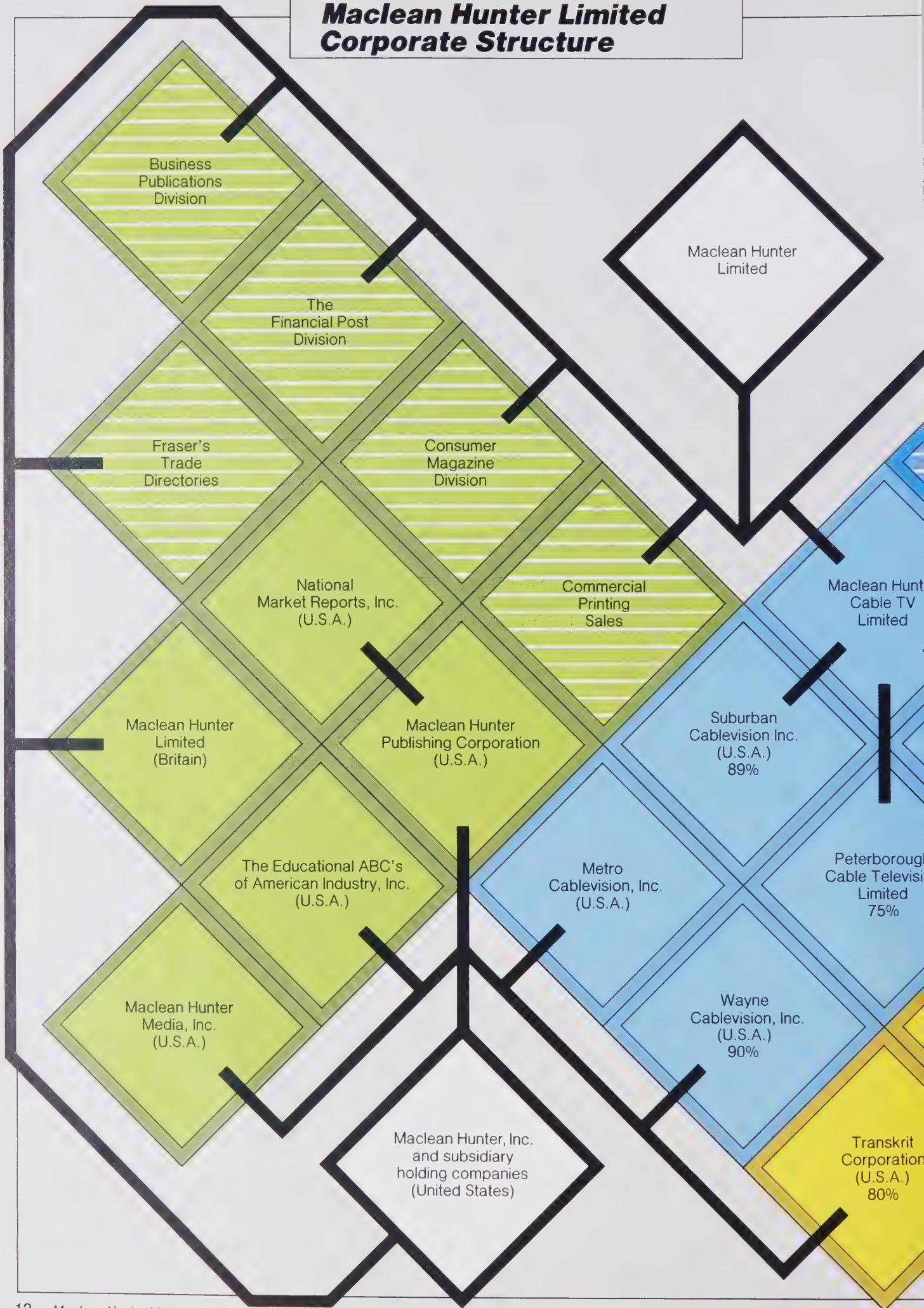
Member of Executive and Advisory Committees of The University of Western Ontario, School of Business Administration.

Trustee, The Hospital for Sick Children.

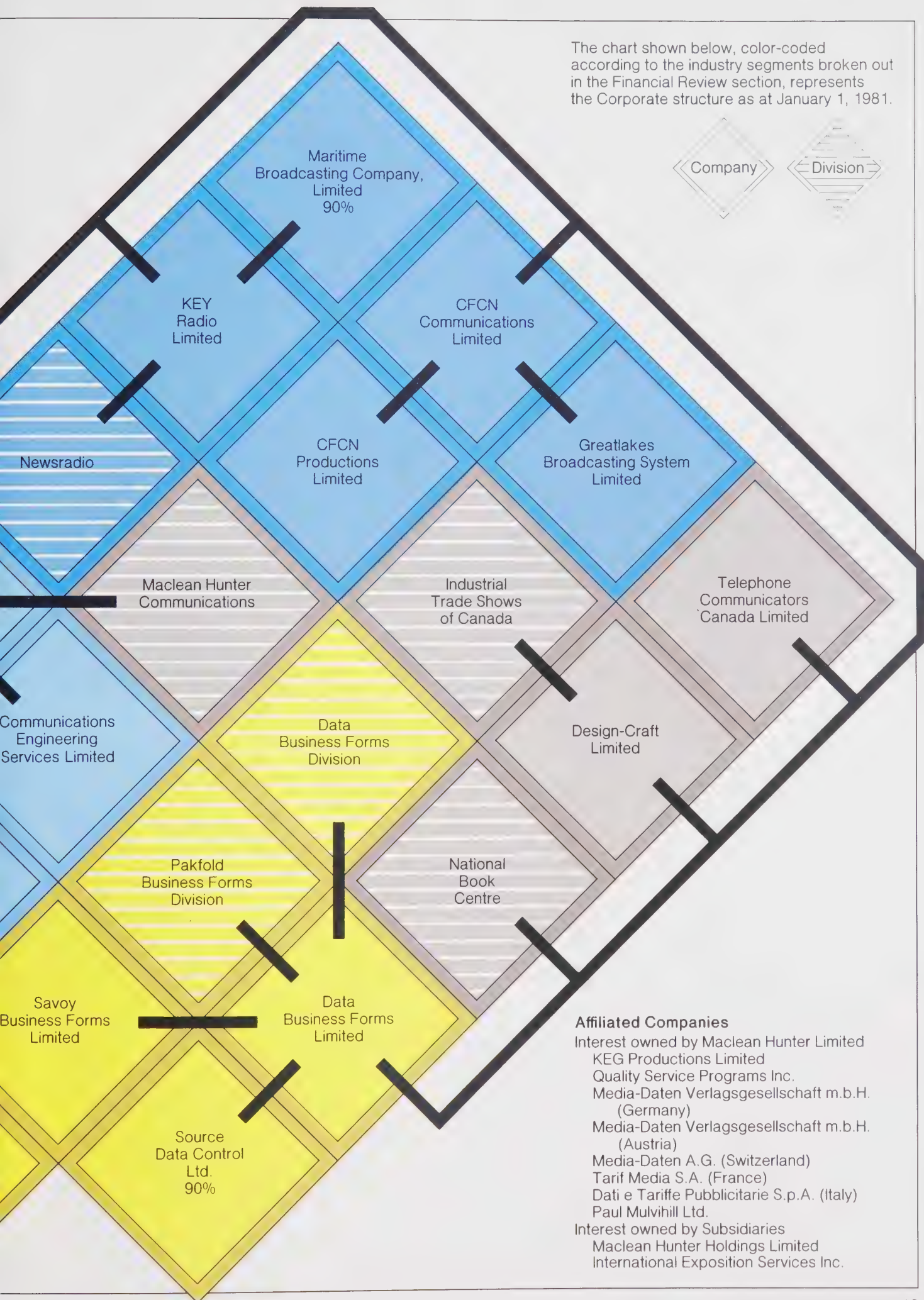


From left: Arthur J. Little, William P. Wilder, Gordon P. Osler, (Absent: F. William Fitzpatrick)

Maclean Hunter Limited Corporate Structure



The chart shown below, color-coded according to the industry segments broken out in the Financial Review section, represents the Corporate structure as at January 1, 1981.





Toronto is the location of Maclean Hunter Limited's head office which is the base for our publishing, broadcasting, cable television, business forms and other operations such as trade shows and personal radio paging.

Business Publications

Maclean Hunter was founded with the business publication *Canadian Grocer* in 1887 and today business publications remain a key ingredient in the company's success.

Whether its audience is business, industry, the professions, or government, the business publication is in the forefront delivering the news that matters to its readers.

Technical information, marketing developments, government activities, financial trends, new products—all are reported on a timely basis to the thousands of influential readers who comprise the audience of Maclean Hunter business publications.

The division publishes 55 English and 10 French-language magazines with total annual circulation in excess of 9,950,000. Other lines of business include newsletters, creative services, information services, and employee publications.

In 1980, advertising linage increased 3.5% and revenue 15.2%. Expenses increased at a slightly higher rate due mainly to printing and paper costs plus a higher volume of editorial pages.

Part of the division's planning process includes the discontinuance or sale of publications and properties not meeting corporate requirements.

During the year, *Men's Wear of Canada* was sold, and the shows operated by *Men's Wear* were discontinued.

The operations of *Building Supply Dealer* were integrated with *Hardware Merchandising* to provide advertisers with total market coverage.

As part of an ongoing program of expansion, a number of new properties were started. *Drillsite*, a publication directed at oil wellhead operations was launched in January, 1980. In November we began operations on *Le Courrier médical*, a fortnightly tabloid medical publication for doctors whose preferred language is French. In addition, export capability guides were produced for the federal government by *Canadian Interiors* and *Canadian Electronics Engineering* as part of a co-publishing program.

Major changes in organization were made in the latter part of the year to better position the division for future growth and improved rate of return. These included an increase in the number of publishing groups and the appointment of former group publishers Ronald A. Smith and Charles E. Wilson as assistant vice-presidents, with each responsible for the operations of several groups.

A successful publishing operation such as the Business Publications Division depends on a quality editorial product for its growth. An ongoing


editorial quality control program is in place and includes a graphic re-design program, training seminars as well as continual evaluation of publications by a divisional editorial council.

It was another year of distinction for division editors who won seven of thirteen first place awards and seven of twelve honorable mentions in the Kenneth R. Wilson Memorial Awards which are presented annually for distinguished achievement in writing, reporting and graphic appearance.

Our French-language publications did equally well in recognition of their achievements by winning five awards for significant editorial accomplishment presented by l'Association des Journalistes de la Presse Spécialisée.

A well planned and executed circulation development program is also vital to business publishing success. The circulation department was reorganized during the year to allow for better development of revenues which have increased 20% in 1980. In addition, a computer complimentary to our basic system was purchased to allow for more efficient sortation of labels to meet Post Office requirements. A new process for circulation fulfillment is also being investigated.

A strong performance in revenues and profits is anticipated for the division in 1981.



Vancouver is home to several special interest publishing operations. The Business Publications Division has a sales and editorial office in the city. Editorial operations for The Financial Post's Western Business supplement are directed from Vancouver.

The Financial Post

The Financial Post, Canada's most influential national journal of business, investment and public affairs, enjoyed a year of excellent growth in revenues and profitability.

Two of the strongest performing segments were classified advertising, up 25% in revenues, and Western Business, a separate section started in 1979 for the Western provinces. It became a tabloid early in the year, and is up 57% in revenues. Additionally, regular display advertising also did well, increasing by more than 19%. Further growth is planned for 1981.

The Post's circulation continued to grow with the last issue of 1980 reaching 197,458. Weekly readership is approximately 500,000.

The Financial Post Magazine and The Financial Post 500 were distributed separately to subscribers in 1980. Both continue to contribute profits.

It was a strong year for editorial achievement. In March, The Post launched an extensively redesigned format which included the conversion of Western Business to a tabloid.

Testifying to the efficiency of this redesign was The Post's winning of the Best-Of-Show Gold Award for

best overall newspaper design in an inaugural international competition sponsored by the US-based Society of Newspaper Designers. The contest attracted 2,474 entries.

There was further recognition of editorial excellence for The Post in 1980. Post writers swept the two categories for which they were eligible in the Kenneth R. Wilson Memorial Awards; won an award and an honorable mention in the two categories for which they were eligible in the Canadian Petroleum Association Awards; and won two firsts and four honorable mentions in the National Business Writing Awards. The International Society of Weekly Newspaper Editors also honored The Financial Post for editorial writing.

Always progressing in the development of new areas, The Post is introducing a quarterly supplement, Travel Post, and will feature five Property Post supplements in 1981 which centre on real estate. Both are tabloids which maintain design continuity with The Post.

Helping to further increase The Financial Post's visibility is The Financial Post Business Report which is being carried by 28 AM and FM radio stations subscribing to Maclean Hunter's Newsradio service.

In 1981 The Financial Post again presented its annual Awards for Business in the Arts which encourage the corporate sector's involvement

with Canada's visual and performing arts. This year the ceremonies took place in Winnipeg.

Since 1977, The Financial Post Magazine has experienced dramatic increases in advertising with 1980 setting a new record of more than 490 pages.

During the past few years a significant investment was made to upgrade the magazine's editorial product and the result of this was evident in the PMB III figures which show that the magazine's readership is now 523,000.

In 1980, Financial Post Conferences surpassed all previous achievements in revenues, profit, attendance and number of conferences staged.

Investor's Digest increased its circulation by about 60% and it now stands at more than 8,000.

During the year, Financial Post Corporation Service increased its profit significantly, published some 13,900 pages of corporate data and added new cards on 17 corporations. The annual publications improved in performance and showed a profit.

Financial Post Investment Databank, which supplies information to the financial community, is expanding the corporate database and we expect that 100 additional companies will have been added by April of this year. The service showed a significant 30% increase in its client base during the year.



Montreal is the hub of our French-language publishing operations. From this location, we produce business and professional publications for the Quebec market as well as consumer magazines such as L'actualité and Châtelaine.

Consumer Magazines

During 1980, the consumer magazine divisions continued their strong performance setting new records for revenues and profits.

The company's consumer magazines range from Maclean's, Canada's weekly newsmagazine, to special interest magazines such as Canadian Yachting serving the information needs of particular target markets.

Maclean's completed its second full year of publishing as a weekly newsmagazine. Since the change to the news format, Maclean's has become a significant national force continuously keeping Canadians informed about the changing shape of their country's history and of important events around the world influencing their lives.

During the year, 2,300 editorial pages were produced and advertising pages increased 7.3% over 1979 to 1102 pages. Advertising revenues gained 14.3% to \$12,842,000. Advertising linage is expected to increase between 8% and 10% annually and should reach 1500 pages by 1985.

L'actualité, our Quebec-based, French-language magazine of current affairs, has entered its fifth year of

publication and plays an important social and cultural role in the Quebec community. Advertising on L'actualité increased by 5% to 589 pages in 1980.

Châtelaine continues to enhance its reputation as Canada's most significant women's magazine. Circulation is growing and now stands at 1,025,000 copies per issue. Advertising increased more than 75 pages over 1979 representing a 5.5% improvement compared with the consumer magazine industry average of 1% growth for the same period.

Châtelaine, our influential women's magazine in the French-speaking market, enjoyed a strong year with advertising pages up by more than 60 which is 7.1% ahead of last year.

Flare is the company's fashion emphasis consumer magazine directed to the 18 to 34 year old woman, and is particularly targeted to working women in this group. During 1980, advertising pages increased more than 12% over 1979 and revenues were up almost 23%.

Advertising linage on Teen Generation continued to suffer because of the freeze in federal government advertising in areas affecting Teen Generation.

The magazine provides educational guidance and career oriented information to Canadian High School students and teachers.

During 1981, Teen Generation's

potential for future growth will be thoroughly analyzed.

New Mother and Mère Nouvelle are consumer magazines which direct their editorial content to new mothers. Editorial research conducted during the year indicated high readership with 99% of recipients reading or looking through their copy.

In our Special Interest Publications division, the extensive re-organization carried out during 1979 and 1980 has resulted in significant improvements in operating results in 1980. Some publications within the division are still undergoing changes. Therefore, in 1981, although revenues are estimated to increase by 25% to \$6,500,000, profits will be marginal. With the completion of these changes during 1981, the division will be repositioned for an improved profit in 1982.

Indicative of the leading editorial role played by Maclean Hunter consumer magazines are the number of significant awards won by our magazines' writers and editors in 1980.

In the National Business Writing Awards, Maclean's won two honorable mentions. Maclean's also received a Gold Award in the National Magazine Awards in the Humor category. Also in the National Magazine Awards, L'actualité won the following: the Gold Award for Business Writing; as well as Silver



Maclean Hunter Limited, in London, England, publishes business magazines for the United Kingdom and international markets. Titles include: British Printer, Medical Digest, Airtrade, Packaging News and International Freightling Weekly.

Awards in the following categories: Humor, Sports Writing, Politics, Agriculture, Travel, and Culture. In the same competition, Chatelaine won the Gold Award for Fiction; Châtelaine won a Silver Medal for General Magazine Articles; and Flare won the Gold Award for Fashion Features.

In the Special Interest Division, Ski Canada Magazine won the Canadian Ski Patrol System's Douglas Firth Award.

The Direct mail department of the Magazine Circulation Division received two awards from the Canadian Direct Mail/Marketing Association.

International Publishing

In London, England, Maclean Hunter Limited faced the worst economic recession since the 1930's. After showing increased profits every year since 1972, profit for 1980 was 37% below 1979.

Although economic conditions were difficult, three publications showed strong progress—British Rate & Data; Travel Agency; and Packaging News.

During the year a number of publications were acquired or launched. International Freightling Management was started as a spin-off from International Freightling Weekly; British Plastics and Rubber

was acquired as was Geriatric Medicine and Medical Digest, all of which are making good contributions to profit.

Retail Newsletter, a publication in the kitchen fitting market was purchased this year and will be merged with our Kitchens magazine which should increase our lineage in this market.

Our UK publishing operations expect to resume their upward climb in profitability by tighter cost control measures. Accordingly, Nineteen eighty-one will be a year of consolidation. No major launches or acquisitions are envisaged during the year.

Maclean Hunter Publishing Corporation, Chicago, enjoyed a strong year, with an excellent profit to revenue ratio.

Editorial quality maintained its lead, with Home Improvement Contractor, for example, receiving a special award for outstanding service by the industry's leading trade association.

The company's publications again increased their aggregate share of market in advertising pages. All three of our newest publications, Paper Film & Foil Converter, Boxboard Containers and Home Improvement Contractor showed increases.

Our advertising rate and data publications in Italy, France, Germany, Switzerland and Austria each had a successful year. Maclean Hunter owns 50% of these operations.

Fraser's Trade Directories

Fraser's, which publishes a general industrial trade directory in three volumes, experienced its best year to date in revenues and profits.

In 1979 Fraser's introduced a catalogue section in which advertisers were given the opportunity to place their promotional folders or catalogues. This section carried more than 170 pages in 1980. Steady growth is expected for the concept and it should eventually be a good revenue producer.

Fraser's Construction and Building Directory was first published in 1974. However, for a number of reasons including the economic situation, it did not develop as expected and a decision was made in November of 1980 to suspend publication.

As part of an ongoing operations improvement through electronic typesetting and page layout, a significant amount of advertising is now being typeset simultaneously with editorial listings. This procedure is resulting in cost savings for Fraser's.

Although the market is competitive, Fraser's anticipates a strong future



The Company has important broadcasting and publishing properties in Calgary. Among CFCN Communications' radio and television broadcasting operations is CFCN-TV, Calgary's number one station. Calgary is also headquarters for our weekly business publication Oilweek.

CFCN Communications

Results on a consolidated basis for CFCN Communications Limited are up for 1980 compared with 1979.

This broadcast group includes CFCN-TV, Calgary; CFCN-TV, Lethbridge; CFCN-AM and CJAY-FM, Calgary; CHYM-AM, CKGL-FM, Kitchener-Waterloo-Cambridge, Ontario and CFCO-AM, Chatham-Wallaceburg, Ontario.

CFCN-TV continues its dominance of the Calgary market remaining the top rated station in the area. This operation now has 14 of the top 20 programs viewed by all persons in metro Calgary. Quality in programming is a strength of CFCN-TV and this was evidenced not only by BBM results but also in the station's again receiving programming recognition at the National 1980 CanPro Awards: a first place Gold Award in the Information Series category and a first place Gold Award in the Sports Special category.

Major capital investment in studio and mobile facilities aided greatly in CFCN-TV's increased programming contribution to CTV network and other nationally syndicated programs.

During the year, Terry Coles, previously vice-president and general manager, was appointed president, Television Division.

In Lethbridge, CFCN-TV carries the basic service provided by Calgary but also features local news and additional local programming. The station won a significant Certificate of Merit at CanPro for an entertainment special.

CFCN-TV achieved another record year in advertising revenues maintaining an equal balance between national and retail business. The retail percentage could increase further as the Co-op advertising area develops.

In a significant achievement, all the top radio commercial honors including Best Overall Commercial Campaign in the 1980 Love Awards Commercial Festival were captured by CFCN-AM, Calgary.

Exhibiting a continuing growth pattern, CFCN-AM exceeded planned revenue and profits for the year and projections for the next five years indicate consistent, orderly growth.

A site has been selected for a new 50,000 watt transmitter and should be operational by September.

CJAY, our FM radio operation in Calgary, continues to be Alberta's most listened to FM radio station, as reflected in the 1980 BBM statistics which showed a 20% gain in weekly circulation.

In renewing CJAY's license for a four-year period to 1984, the CRTC commended the station for its success in foreground and mosaic programming and for its efforts in

support of local musical talent.

During the year, Norm Haines was named president of the CFCN Radio Division.

In June of 1981, the CRTC will hear applications for new licenses in Calgary and Edmonton. The company has applied in Edmonton featuring a country music oriented format.

Further strong growth is expected in 1981. Although the economy of the area is buoyant, Calgary's growth will be influenced by the outcome of a federal provincial agreement on oil and gas pricing.


CHYM, our AM Kitchener-Waterloo-Cambridge station, won two awards in the Soundcraft competition: one for best writer, the other for best commercial.

CKGL is CHYM's sister station in the area and has an FM country and western format. Both stations continue to perform well in serving their audiences.

Despite an economic slowdown in its market area, CFCO-AM, Chatham, surpassed all previous years in revenues.

The station adjusted and refined its middle of the road format during the year placing additional emphasis on local and regional news coverage.

Other local programming activities included coverage of local sports and a ten-week series of live outdoor concerts performed by local musicians.



Maritime Broadcasting (CHNS-AM and CHFX-FM) serves the Halifax-Dartmouth area. Also centred in Halifax is Newsradio's Atlantic Bureau. Industrial Trade Shows of Canada will hold the Canadian Offshore Resources Exposition here in June.

KEY Radio

Encouraging improvements in audience share were achieved by CKEY in Toronto, through the implementation of programming refinements based on recent research.

The station maintains its solid number two position in our 30+ demographic, or "adult" positioning. Total hours tuned in 1980 for example are up 4% from 1979.

CKEY's license was renewed for the maximum five year period by the CRTC who also commended CKEY for its news programming.

The CKEY Evening Report was expanded from 30 minutes to 60 minutes becoming the CKEY Evening Newshour. Ratings for the expanded program increased significantly in the Fall 1980 BBM statistics.

On August 4th, CKEY achieved another first with the commencement of the John Gilbert Night Talk Show. This unique talk/information program is now carried on more than ten radio stations and offers a national forum to share and exchange views.

The BBM results for our Ottawa AM station, CKOY, were disappointing. Its target market is the adult 25+ demographic. Programming has since been refined and advertiser and

listener acceptance is improving. These changes plus stronger advertising sales and promotional efforts should result in a much improved position within the next few years.

Our contemporary country format continues to receive excellent listener and advertiser acceptance at CKBY, our Ottawa FM station.

CKBY is now the number one FM station in the Ottawa area and the overall number two station.

As country music gains rapidly in acceptance by more and more adults, CKBY predicts continued revenue and profit growth.

Maritime Broadcasting, Halifax, which includes stations CHNS-AM and CHFX-FM serving the Halifax-Dartmouth area, completed its first full year as part of Maclean Hunter's broadcasting operations.

The CHNS music policy established in 1979 continued to attract the primary audience of adults 25 to 49 while at CHFX-FM, a more contemporary country sound is well received throughout the area.

Programming refinements combined with further development of local and national sales activities are expected to generate increased volume for both stations.

Newsradio, our broadcast news service operation, represents a significant contribution by Maclean Hunter to the Canadian broadcasting

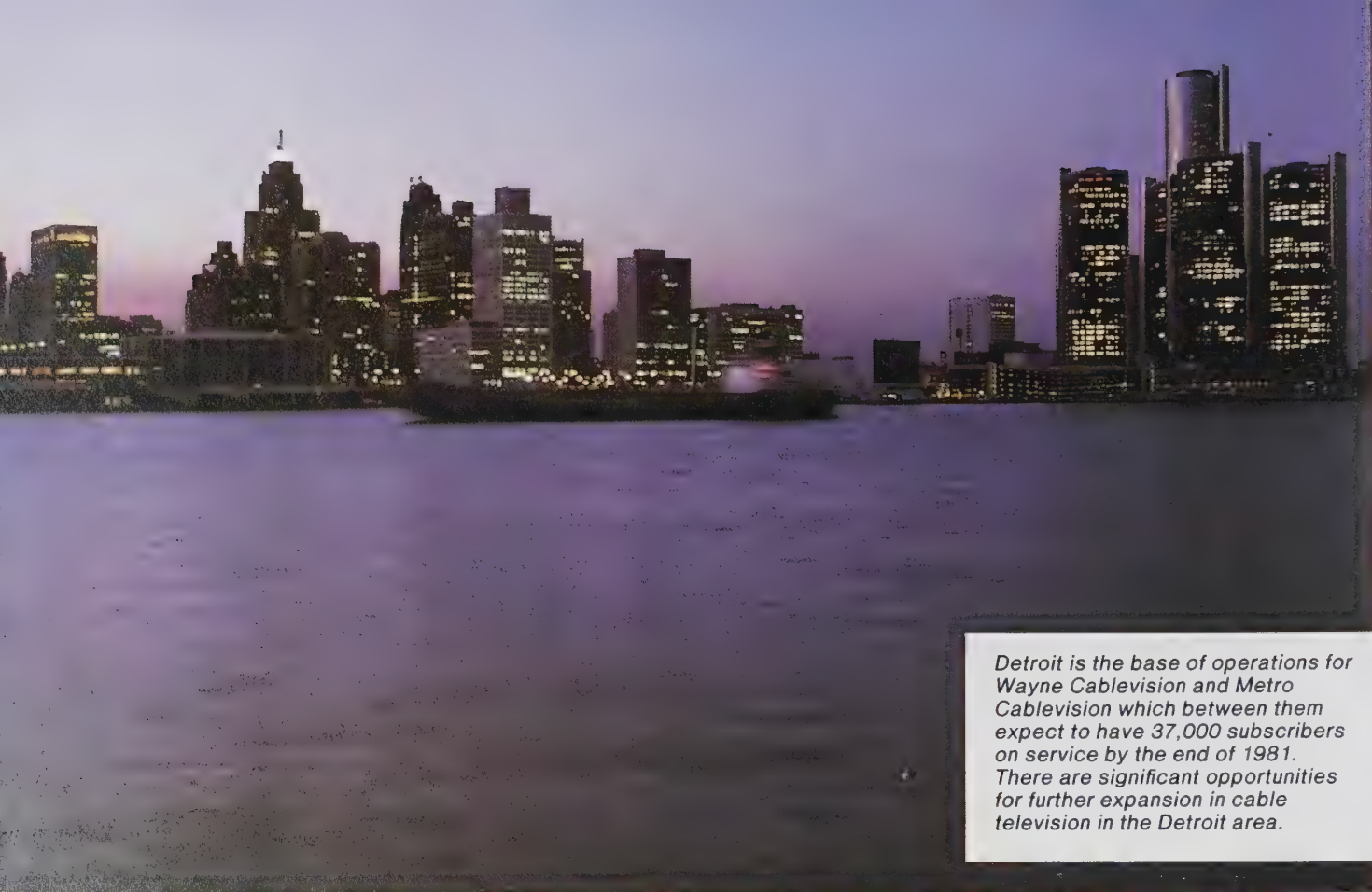
system. Newsradio now has more than 50 AM and FM stations across Canada subscribing to the news agency service.

It was a demanding year for Newsradio which included coverage of a second federal election in less than 12 months; the Referendum in Quebec; the Canadian constitutional and energy developments; the Iranian crisis and the 1980 US presidential election.

During the year, Newsradio inaugurated its Atlantic bureau centred at Maritime Broadcasting (CHNS/CHFX) studios.

Newsradio is in the forefront of reintroducing to Canada the concept of private radio networking. These efforts were capped in December of 1980 with the award by the CRTC of a network license for "overnight network radio news." Newsradio facilities also network the John Gilbert Night Talk Show to over 10 markets and we expect to be in 15 markets by midyear.

The networking concept will provide national quality information programming material which is attractive to listeners, stations and to national advertisers.



Detroit is the base of operations for Wayne Cablevision and Metro Cablevision which between them expect to have 37,000 subscribers on service by the end of 1981. There are significant opportunities for further expansion in cable television in the Detroit area.

Cable Television

Nineteen-eighty was an excellent year for the company's cable television operations which are located in Ontario, New Jersey and Michigan.

At the end of the year, Maclean Hunter Cable TV and its subsidiary operations were serving 334,000 subscribers in Ontario; 89,500 in New Jersey and 11,700 in Michigan.

Our Ontario operations include 16 systems serving 20 municipalities. In New Jersey there are 41 contiguous municipal franchises served by two interconnecting systems. Our Michigan operations serve nine franchised areas.

During the year, we were successful in obtaining the franchises for Jersey City (New Jersey) subject to Public Utilities Commissioners approval; and for the City of Taylor (Michigan); which together represent 108,000 homes. We have additional franchise applications on file, or in preparation which are to be decided in 1981, including Tucson, Arizona; and the City of Detroit, Michigan.

Subscriber reaction to our pay television services in the US has been excellent.

In Canada, although the federal government has made encouraging comments about pay television,

hearings will not take place until mid-1981 and it is unlikely that a decision will be made early enough to see any form of pay TV in Canada before 1982.

Ontario

Although 1980 was a record year in net income, growth is largely dependent upon rate increases approved by the CRTC.

The Toronto operations acquired an additional 34,500 net additional subscribers from Canadian Cablesystems in September of 1980. In order to accommodate these new subscribers, a new office was established in Parkdale.

More than 340,000 subscribers are expected to be on service in the Ontario operation by the end of 1981.

New Jersey

Suburban Cablevision, our 89%-owned subsidiary in New Jersey, exceeded profit plan and had a record year. Several new program services were introduced to the Suburban system in 1980 including the Cable News Network and two new pay television services, Showtime and SportsChannel. The addition of these services should help to increase our market penetration as well as increase the average revenue per subscriber.

For the fourth consecutive year Suburban won major national awards

for excellence in local origination programming. These were the National Cable Television Association's Award for Excellence in Overall Programming Format, and also an award for Excellence in a Program Series for its Action Arena sports program.

During 1980, the number of subscribers in Suburban's systems increased by 18,500. The company expects that with the completion of its major construction program, 130,000 subscribers will be on service by the end of 1981. Suburban's cable systems now pass 215,000 of the 340,000 homes it has under franchise.

Suburban's pay television service continues to make a very strong contribution as 91% of all subscribers chose to take the premium service in 1980. With the addition of Showtime and SportsChannel, we expect the contribution of pay television to increase in 1981.

Michigan

Because of delays in make ready and the destructive effects of a tornado, Wayne Cablevision, our 90%-owned subsidiary in Allen Park, (Detroit) Michigan, was below expectation in the number of subscribers on service by year end.

Wayne has eight franchises comprising 70,000 homes with 8,000 subscribers currently on service. Pay television penetration has been



The operations of Maclean Hunter Media, Inc., in New York City include: Progressive Grocer magazine; C-Store Business magazine; Maclean Hunter Learning Resources, which markets home economics instruction materials; and a database centre. Near New York is our business forms firm, Transkrit.

excellent with 70% of subscribers taking all three pay services.

Plans call for new premises to be constructed in the City of Taylor (Detroit) by September 1981.

By the end of 1981, Wayne expects to have 30,000 subscribers on service. We are currently forecasting a profit contribution from Wayne by 1982.

Wayne is a "state-of-the-art" cable operation, having been the first cable television company in North America to offer 54-channel service. Because of its high channel capacity, Wayne will benefit significantly from future services as they become available.

Metro Cablevision, our 100%-owned subsidiary, has the franchise for the City of East Detroit. There are 13,500 homes in the system of which Metro now has 3,700 on service. The company expects to have 6,800 subscribers by year end.

Metro plans to continue efforts to obtain new franchises. In its area there are 16 possible communities to be franchised totalling 160,000 homes.

During 1980 we sold the assets of Metro Home Theatre which was our only multi-point distribution system pay TV operation, located in the Detroit, Michigan area. It is not the company's intention to reenter the MDS pay TV business.

Maclean Hunter Communications

Maclean Hunter Communications, our division which concentrates on the sale of personalized radio paging services, enjoyed continued growth in 1980. These services are sold to a variety of industrial, professional and private users. The company, the largest of its type in Ontario, is now serving more than 11,500 persons, an increase of 13% over the previous year.

During 1980 two new paging networks were added, aimed at the markets of Niagara Falls/St. Catharines, Ontario, and Metro Toronto. Also, as part of its continuing program to utilize new technological developments, Maclean Hunter Communications installed a computerized paging terminal designed with capacity for years to come. This new terminal made possible the introduction of direct dial automatic paging service, a means to customer convenience, faster paging, and operating economies.

Radio paging is now recognized as a time, labor and energy saving medium. As these commodities become more costly, radio paging begins to excel as a growth area for the future.

National Book Centre

Headquartered in Toronto, the National Book Centre is our wholesale distributor of clothbound and paperback books to public libraries and elementary and secondary school libraries across Canada.

Although sales rose by 7.2% in 1980, operating costs grew by 18.5%, resulting in a 50.9% drop in pre-tax profits.

Sales increases during the year came from the public library market in the Western provinces and Ontario. Sales growth also occurred in the elementary and secondary school library markets in the Western and Atlantic provinces.

Full conversion of National's book distribution to its on-line computer facility was not achieved until late November although it was scheduled for completion early in the year. It is a sophisticated, highly user-oriented system programmed specifically for book distribution.

Since the full implementation of the system, sales figures have shown improvement.

In the next five years, National Book Centre anticipates that revenue and profit growth will come from the public library market in response to a strong marketing campaign.



Maclean Hunter Publishing Corporation, Chicago, produces business magazines for the US market such as Concrete Products, and American Printer as well as being headquarters for National Market Reports. One of Transkrit's business forms printing operations is also located in the area.

Business Forms

During 1980, our business forms companies reached sales of more than \$55 million, making this segment second in revenues to publishing. This achievement resulted in a considerable increase in operating income compared with 1979.

The company's business forms activities now include the United States and Quebec as a base of operations in addition to Ontario.

We penetrated the United States business forms market with the acquisition in January, 1980 of Transkrit Corporation, a specialty forms company. Located in Elmsford, New York, Transkrit also has operations in Fort Smith, Arkansas; Miami; Chicago; and Los Angeles.

Transkrit performed well in 1980, achieving revenues of (US) \$27,505,000. Results from this operation form a significant portion of the 1980 increase in total business forms revenues accounting for 58% of sales revenue and 53% of profit. This was a record in Transkrit's 42-year history.

Factors which will position Transkrit's manufacturing capabilities for an expected volume increase in 1981 are: Completion of a 24,000 square-foot expansion at Fort Smith,

Arkansas; the installation of new press and collating equipment; and the relocation of sheetfed printing and binding equipment from Elmsford, N.Y. to Chicago.

Two important acquisitions since 1979 have added to our Canadian market share.

In November 1980, we purchased Savoy Business Forms located in St. Jean-sur-Richelieu, Quebec, a well known custom forms manufacturer established in 1940.

In January of 1981 we expanded further with the acquisition of Source Data Control in Brampton, Ontario. This company has an outstanding manufacturing facility and is a significant supplier within Canada's custom business forms industry. It also markets pressure sensitive labels for data processing and packaging users. In addition to increased market share, the purchase brings us experienced people and excellent equipment.

In addition to contributing to revenues, Savoy in Quebec and Transkrit in the United States have the important benefit of extending the geographical base of our forms manufacturing which was previously limited to Ontario. We continue to look for manufacturing capability in Western Canada.

Our business forms operations in Canada are the fourth largest in the country when measured in terms of

sales. In comparing Canadian business forms companies on a basis of pretax profits as a percentage of sales, for 1980, our results compare favorably.

The company's business forms segment is organized in Canada under the Data Business Forms Limited group which for 1981 includes two direct sales divisions in Mississauga and Don Mills, Ontario, operating under the Data name; the Pakfold Business Forms division in Niagara Falls, Ontario, which serves the dealer market; Savoy Business Forms; and Source Data Control.

Data Business Forms Limited combined revenues grew by 10.6% in 1980 compared with 1979 while profit was up 2% for the same period. These figures include the operating results of Savoy for the last quarter of 1980.

1980 was a year of progress for Data Business Forms. In addition to the acquisition of Savoy and Source Data Control, a number of long-range plans were implemented.

The operations of Anthes, which we purchased in 1978, were merged with the other Data divisions and equipment and staff were relocated. Marketing by the former Anthes group is now done under the Data name. This change occurred in April 1980.

The purchase of Anthes was beneficial as it allowed us to substantially increase our market

share and brought in a significant amount of additional equipment which is now performing well throughout our Ontario operations.

In the Data division, revenues for 1980 were up 7% compared with 1979 and profits increased by 7.4% after equipment moving and integration costs.

Profit for Redi-Set in 1980 was up almost 12% over 1979. In January 1981, Redi-Set Business Forms division began marketing under the Data Business Forms name.

At Pakfold Business Forms, revenues grew by 17% with profits increasing 11.5% compared with 1979. Our dealer base and manufacturing unit were strengthened significantly during the year.

Nineteen eighty-one will be a year of rebuilding at Savoy and Source Data Control. Savoy anticipates revenues of approximately \$3 million for 1981. Revenues in the range of \$11 to \$12 million for 1981 are projected by Source Data Control.

Overall, we anticipate steady future growth in our Canadian and US business forms operations.

Printing Operations

High volume production coupled with a strong quality control program is the hallmark of the Maclean Hunter printing division.

This operation prints our own publications and other internal printing. It also includes Commercial Printing Sales which does printing work for outside clients.

During 1980, as an example of our printing volume, the Plant utilized 23,723 tons of paper which equates to almost 10 billion printed pages. This represents a 9.3% increase over 1979.

Commercial Printing Sales' profit was above plan and 1981 is also expected to be a growth year.

In its ongoing program of maintaining high quality in all areas of its operations, the printing division completed construction of its offset preparatory department, considered one of the most technically up-to-date in North America.

In the first half of 1981 we expect to install additional sophisticated bindery equipment and will be taking delivery on a new four color sheetfed press.

With the increasing demand for printed materials, steady growth is anticipated in this division.

Trade Shows

Design Craft Limited, which currently produces 20 trade and industrial trade shows as well as providing show services, realized its most profitable year to date in 1980.

Design Craft is composed of three divisions: Design Craft Show Services; Industrial Trade Shows of Canada; and International Exposition Services in which our ownership is 50%.

Design Craft Show Services acted as official show service decorator for 57 shows during 1980, ten of which were produced by Industrial Trade Shows of Canada. It was also appointed official show service decorator to the Harbour Castle Hilton Hotel and Convention Centre. Although there is strong competition in the show services market, Design Craft maintains a leading position.

Ten shows were produced during the year by Industrial Trade Shows of Canada of which eight exceeded budgeted profit. Also during 1980, four shows were started. These included three Canadian Shows: Scientific Research, Electric Products Parade, and the Canadian Offshore Resources Exposition. In the United States, we launched the Texas Computer Show which will be held in Dallas, January, 1982.

The introduction of the Texas show is part of our overall strategy to seek out new trade show opportunities in the United States for both development and acquisition. Our primary interest will be in industry categories in which we have shows in Canada. In the United States we will operate under the name Intercontinental Trade Shows, Inc.

During the year, Industrial Trade Shows of Canada acquired 100% of the Canadian Farm Show of which it had previously owned 50%, The Montreal Graphic Arts Show which we had been operating was sold during the year.

International Exposition Services acts as the official show service and rental contractor for shows and conventions taking place at downtown Toronto hotels, including the Sheraton Centre. This division exceeded profit plan despite a reduction in revenues.

Trade shows and exhibitions are an important means of communication for business and industry and will remain so in the future.

Steady growth is anticipated in Canada. In the United States, however, we are planning to form or acquire two or three new shows each year and thereby within five years become a significant producer of trade shows in this market.

Other Services

Building on its strong reputation as an outstanding source of research information, the Maclean Hunter Research Bureau expects to prepare additional market reports for external sales in 1981.

Telephone Communicators of Canada concluded a profitable year. TCC's largest growth potential in 1981 will be in the area of business to business telephone marketing.

Profit was ahead of expectation for Canadian Press Clipping Services. Plans for the future include studying spin-offs and extensions such as reading services and directories.

Maclean Hunter Mailing Services provides full service mailing facilities for direct mail programs.

Direct Mail Services' revenues and profits were well ahead of last year. A major contributor to the increase was the large quantity of names rented for seminar mailings.

Maclean Hunter Micropublishing's profit was improved over 1979. Starting January 1981, The Financial Post is available on microfiche which will be of interest to schools and university libraries with fiche readers.



The five flags shown on the front cover reflect the five operating segments of our business: Publishing; Broadcasting; Business Forms; Cable Television; and Other operations such as Trade Shows and Radio Paging.

The Company's new corporate symbol, shown on the flags, stands for the concept of a growing, diversified communications organization and emphasizes the idea of communication being a two-way process. Through a corporate emphasis system, subsidiaries will be able to reinforce their association with the parent Company in their graphics.

Consolidated Statement of Income

Maclean Hunter Limited

For the year ended December 31, 1980 (with comparative figures for 1979)

	1980	1979
Revenue		
Publishing	\$150,153,000	\$128,095,000
Broadcasting	38,571,000	31,643,000
Cable TV	46,574,000	37,979,000
Business forms	55,605,000	21,148,000
Other	22,932,000	21,261,000
Total revenue	313,835,000	240,126,000
Expenses		
Operating expenses	250,536,000	191,693,000
Depreciation and amortization	13,490,000	10,174,000
Interest expense (note 8)	7,878,000	5,818,000
Total expenses	271,904,000	207,685,000
Income before income taxes	41,931,000	32,441,000
Income taxes (note 5)	18,905,000	14,223,000
	23,026,000	18,218,000
Share of net income of affiliated companies	724,000	373,000
	23,750,000	18,591,000
Deduct:		
Minority interest	939,000	788,000
Amortization of goodwill	932,000	544,000
Income from continuing operations	21,879,000	17,259,000
Loss from discontinued operations (note 3)	606,000	655,000
Consolidated net income	\$ 21,273,000	\$ 16,604,000
Earnings per share (note 10(a))		
Basic earnings per share	76.0¢	61.5¢
Fully diluted earnings per share	71.4¢	61.5¢

Consolidated Statement of Changes in Financial Position

Maclean Hunter Limited

For the year ended December 31, 1980 (with comparative figures for 1979)

	1980	1979
Sources of working capital		
Operations —		
Income from continuing operations	\$ 21,879,000	\$17,259,000
Increase in unearned net publishing revenue	3,052,000	1,658,000
Amounts deducted in arriving at consolidated net income which did not involve an outlay of working capital:		
Depreciation and amortization	13,490,000	10,174,000
Deferred income taxes, long term	3,481,000	1,268,000
Minority interest, amortization of goodwill and other	2,447,000	1,780,000
Total from continuing operations	44,349,000	32,139,000
Proceeds on issuance of debentures (net of debt issue expenses)	48,744,000	—
Increase in other long-term debt	15,938,000	12,098,000
Other, net	1,398,000	(656,000)
Total sources	110,429,000	43,581,000
Applications of working capital		
Business acquisitions (note 2) —		
Total consideration	26,922,000	6,736,000
Deduct:		
Long-term debt incurred	16,728,000	2,504,000
Working capital acquired	5,355,000	287,000
Net outlay of working capital	4,839,000	3,945,000
Additions to properties	44,060,000	23,374,000
Reduction in long-term debt	30,627,000	6,116,000
Cash dividends	5,429,000	4,795,000
Subsidiary companies' dividends paid to minority shareholders	307,000	67,000
Redemption of preference shares of subsidiary companies		484,000
Total applications	85,262,000	38,781,000
Increase in working capital from continuing operations	25,167,000	4,800,000
Applications of working capital to discontinued operations	309,000	821,000
Increase in working capital	24,858,000	3,979,000
Working capital, beginning of year	13,328,000	9,349,000
Working capital, end of year	\$ 38,186,000	\$13,328,000

Consolidated Statement of Financial Position

Maclean Hunter Limited (Incorporated under the laws of Ontario)

Assets

	1980	1979
Current		
Cash	\$ 606,000	\$ 743,000
Short-term investments, at cost (which approximates market)	21,457,000	11,039,000
Accounts receivable	50,468,000	40,857,000
Inventories	12,719,000	10,941,000
Prepaid expenses	9,533,000	6,592,000
Total current assets	94,783,000	70,172,000
Investments and advances		
Affiliated companies	1,374,000	1,142,000
Other companies (note 6)	4,799,000	4,920,000
Total investments	6,173,000	6,062,000
Property, plant and equipment (notes 7 and 8)	121,679,000	80,343,000
Goodwill	47,942,000	33,800,000
Long-term receivables and other assets (note 10(b))	11,093,000	9,341,000
Debt issue expenses	1,469,000	293,000
	\$283,139,000	\$200,011,000

December 31, 1980 (with comparative figures at December 31, 1979)

Liabilities

	1980	1979
Current		
Bank loans and overdrafts	\$ 6,746,000	\$ 16,240,000
Accounts payable and accrued charges	26,427,000	20,285,000
Income and other taxes payable	10,005,000	9,769,000
Dividends payable	2,186,000	1,722,000
Long-term debt due within one year	3,326,000	1,884,000
Unearned cable TV revenue	4,960,000	4,446,000
Deferred income taxes	2,947,000	2,498,000
Total current liabilities	56,597,000	56,844,000
Unearned net publishing revenue	17,149,000	14,097,000
Long-term debt (note 8)	117,027,000	60,121,000
Deferred income taxes	14,239,000	11,241,000
Minority interest in subsidiary companies	3,334,000	1,185,000
Shareholders' equity (note 10)		
Capital	31,487,000	27,827,000
Contributed surplus	1,527,000	1,527,000
Retained earnings	55,001,000	40,391,000
	88,015,000	69,745,000
Less the Company's interest in its shares held by subsidiary companies (note 9)	(13,222,000)	(13,222,000)
	74,793,000	56,523,000
	\$283,139,000	\$200,011,000

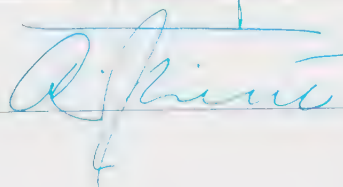
On behalf of the Board

Director



Donald G. Campbell

Director



A. J. Little

Consolidated Statement of Retained Earnings

(See accompanying notes)

Maclean Hunter Limited		For the year ended December 31, 1980 (with comparative figures for 1979)	
	1980	1979	
Retained earnings, beginning of year	\$40,391,000	\$29,048,000	
Consolidated net income	21,273,000	16,604,000	
	61,664,000	45,652,000	
Dividends	8,270,000	6,580,000	
Less dividends on shares eliminated to reflect the Company's indirect interest in its own shares	1,607,000	1,319,000	
	6,663,000	5,261,000	
Retained earnings, end of year	\$55,001,000	\$40,391,000	

Notes to Consolidated Financial Statements

Maclean Hunter Limited

December 31, 1980

1. Accounting policies

The financial statements of the Company have been prepared by management in accordance with accounting principles generally accepted in Canada, consistently applied. The principal accounting policies followed by the Company are summarized hereunder to facilitate understanding of the financial statements.

Consolidation and investments—

The accounts of subsidiaries (ownership greater than 50%) are consolidated with those of the Company from the date of acquisition using the purchase method.

Investments in affiliated companies (where significant influence is considered to be exercised) are carried on the equity basis under which the Company includes its share of their earnings and losses in consolidated income annually. Dividends received are recorded as a reduction of the investments.

Investments in other companies are carried in the accounts on the basis described in note 6.

Certain subsidiary companies hold an indirect interest in the shares of the Company. The Company's proportionate interest in the carrying value of such shares has been deducted from shareholders' equity. The Company's earnings per share have been calculated based on the weighted average number of shares outstanding after the elimination of the Company's indirect interest in its own shares. Similarly, dividends declared by the Company, shown in the Consolidated Statement of Retained Earnings, have been reduced by that portion of the dividends which relates to the Company's indirect interest in its own shares (notes 9 and 10(a)).

Inventories—

Finished goods inventories are valued at the lower of cost and net realizable value. Printing materials are valued at the lower of cost and replacement value.

Property, plant and equipment—

Property, plant and equipment are recorded at cost.

For new licensed areas within a cable TV system located in the United States, all costs (including interest) are capitalized prior to the prematurity period. During the prematurity period, the portion of the fixed system costs (including interest) attributable to future operations is capitalized. The prematurity period begins with the first subscriber hook-up and ends when construction is planned to be substantially complete.

Depreciation is recorded at the following rates which are expected to allocate asset cost over the estimated useful life:

Printing plant and cable TV plant — 10 to 15 years straight line

Communications equipment — generally 10 years straight line

Buildings — 5% on diminishing balance

Other plant and equipment — 10% to 20% on diminishing balance

Vehicles — 30% on diminishing balance

Capitalization of long-term lease obligations—

Certain long-term lease transactions relating to the financing of property, plant and equipment are accounted for as instalment purchases. The capitalized lease obligation reflects the present value of future rental payments, discounted at the appropriate interest rate. The amount capitalized as the cost of the asset is amortized on a straight-line basis.

Goodwill—

The excess of the cost of acquiring businesses over the value assigned to net tangible assets acquired is included in goodwill. Goodwill is carried in the accounts at cost less amounts written off. Goodwill arising subsequent to March 1974 is amortized on a straight-line basis over forty years. Goodwill is further reduced when it is considered that a permanent impairment in its ongoing value has occurred.

Debt issue expenses—

Debt issue expenses are amortized over the life of the related debt.

Recognition of publishing revenue—

Revenue from publication subscriptions, less the related

direct sales commissions, is deferred and taken into income over the terms of the various subscriptions. As current assets will not be used to discharge any obligations to subscribers, no portion of this unearned net publishing revenue is included in current liabilities.

Translation of foreign currencies—

The accounts of the Company's foreign subsidiaries are translated into Canadian dollars on the following basis:

- (a) Current assets and current liabilities at the approximate year-end rates of exchange;
- (b) Long-term debt at the rates of exchange prevailing when the related proceeds are invested in operating assets;
- (c) Fixed assets (and related depreciation) and other long-term assets and liabilities at the rates of exchange prevailing when the assets are acquired or liabilities assumed;
- (d) Revenues and expenses (other than depreciation and amortization) at the average rate for the year.

Gains and losses resulting from the translation of the accounts of foreign subsidiaries are included in income.

Income taxes—

The Company provides for income taxes on the income reported in the consolidated statement of earnings. Under this method, known as the deferral method of tax allocation, timing differences between income reported in the financial statements and taxable income (which occur when revenues and expenses are recognized in the accounts in one year but are taxed or claimed for tax purposes in another year) result in deferred or prepaid taxes.

Investment tax credits are accounted for as a reduction of income tax expense in the year of utilization.

Earnings per share—

Earnings per share are calculated using the weighted average number of shares outstanding during the year.

Earnings per share on a fully diluted basis are calculated assuming that all the Company's convertible debentures outstanding at the end of the year had been converted at the date of issue of the debentures and the consolidated net income had been adjusted by the appropriate after-tax interest expense.

2. Business acquisitions

During the year, the Company and certain subsidiaries made the following significant business acquisitions:

Business forms—

In January 1980, Maclean Hunter, Inc. acquired an 80% interest in Transkrit Corporation of Elmsford, New York.

In November 1980, Data Business Forms Limited acquired Savoy Business Forms Limited of Saint Jean-sur-Richelieu, Quebec.

Cable TV—

In February 1980, Maclean Hunter, Inc. acquired a 4.5% interest in Suburban Cablevision, thereby increasing the Company's interest in Suburban to 89%.

In September 1980, Maclean Hunter Cable TV Limited acquired additional cable TV assets and operations in an exchange transaction with other cable system operators in Metropolitan Toronto.

Publishing—

In August 1980, Maclean Hunter Limited (Britain) acquired the publication "Medical Digest."

Other—

In September 1980, Maclean Hunter Limited acquired the remaining 50% ownership in Trans Canada Expositions Limited, which produces the annual Canada Farm Show.

In addition, other minor acquisitions were made during the year.

These acquisitions have been accounted for as purchases and post-acquisition operations have been consolidated. The excess of the cost to acquire these

businesses over the fair value assigned to the net tangible assets acquired is included in goodwill.

Business acquisitions summary

Net assets acquired:

Book value of assets other than goodwill	\$21,356,000
Book value of liabilities	10,647,000
	10,709,000
Minority interest in acquired net assets	1,790,000
	8,919,000
Acquisition of interest formerly held by minority shareholders	270,000
	9,189,000
Adjustment of net assets to fair value	1,947,000
	11,136,000
Goodwill:	
Publishing	\$ 778,000
Cable TV	5,679,000
Business forms	8,729,000
Other	600,000
	15,786,000
Purchase price of net assets acquired	\$26,922,000

3. Discontinued operations

In August 1980, the Company sold the assets of the book publishing business operated by Macmillan of Canada and the assets of Metro Home Theatre, Inc., a pay TV operation in Metropolitan Detroit which provided service through a broadcast transmitter. The operating results and related net loss on disposal for discontinued operations have been segregated from the results of continuing operations in the Consolidated Statement of Income for both 1980 and 1979 and are as follows:

	1980	1979
Revenue	\$3,629,000	\$7,658,000
Loss from operations	\$ 445,000	\$ 878,000
Loss on disposal	1,107,000	
	1,552,000	878,000
Tax recovery	946,000	223,000
Loss from discontinued operations	\$ 606,000	\$ 655,000

4. Segmented information

The Directors have determined that the Company's operations can be segmented into publishing (magazines and business periodicals), broadcasting (radio and television), cable TV, business forms and other (including trade shows, commercial printing and other communication services). See table on page 30.

5. Income taxes

Income taxes were reduced by \$2,252,000 in 1980 (1979 - \$943,000) by investment tax credit benefits arising on both domestic and foreign operations.

6. Investments — other companies

Details of investments in other companies are as follows:

	December 31,	
	1980	1979
Metro Toronto News Group Global Communications Limited —	\$3,621,000	\$3,926,000
Common shares in escrow subject to sale under option agreement, at option price	723,000	723,000
CTV Television Network Limited —		
Common and preferred shares and participating debentures, at cost	121,000	121,000
Other	334,000	150,000
	\$4,799,000	\$4,920,000

The carrying value of the investment in Metro Toronto News Group (Metro Group) is represented by the following:

	December 31,	
	1980	1979
59,443 non-voting, participating preference shares of the Metro Group at par value of \$1 each	\$ 59,443	\$ 59,443
Entitlement to participating dividends out of post- 1978 earnings, less dividends received to date	5,489,857	5,794,857
Unrealized gain	(1,928,300)	(1,928,300)
Carrying value	\$3,621,000	\$3,926,000

The preference shares carry the rights to receive:
(a) participating dividends totalling \$5,884,857 out of post 1978 earnings of the Metro Group of which \$305,000 was received in 1980 (1979 - \$90,000), and
(b) cumulative preferential dividends at a floating rate equal to one-half of a chartered bank prime rate of interest plus 1% calculated on the outstanding participating

dividends and the par value of the shares. Dividends received during the year were \$468,000 (1979 - \$435,000).

The Company also has the right to share in the proceeds of any future sale or reorganization of the Metro Group.

The preference shares are carried at \$1,928,300 less than the total of their par value and the participating dividends to which they are entitled, since the realization of that total amount is contingent upon the satisfactory future operating results of the Metro Group. The unrealized gain will be recognized when the proceeds are received.

7. Property, plant and equipment

	December 31,	
	1980	1979
Land	\$ 4,678,000	\$ 3,090,000
Plant and equipment	182,771,000	131,196,000
Less accumulated depreciation and amortization	65,770,000	53,943,000
	117,001,000	77,253,000
	\$121,679,000	\$ 80,343,000

These amounts include property, plant and equipment under capital leases (note 8) as follows:

	December 31,	
	1980	1979
Land	\$ 371,000	
Plant and equipment	4,920,000	\$758,000
Less accumulated amortization	1,202,000	47,000
	3,718,000	711,000
	\$4,089,000	\$711,000

Segmented Information (\$000's)

	Industry segments					Total	Geographic segments	
	Publishing	Broadcasting	Cable TV	Business forms	Other		Canada	United States and United Kingdom
Revenue	150,153	38,571	46,574	55,605	22,932	313,835	228,097	85,738
Operating profits	12,842	10,179	13,795	8,328	3,733	48,877	35,123	13,754
Add: Goodwill deducted in arriving at segmented income						932		
Less: Interest expense						(7,878)		
Income before income taxes						41,931		
Identifiable assets	69,710	25,553	106,853	40,383	13,010	255,509	152,014	103,495
Add: Short-term investments						21,457		
Investments and advances						6,173		
Total assets						283,139		
Depreciation and amortization	1,658	1,034	8,315	1,614	869	13,490		
Capital expenditures	2,884	1,998	45,293	19,750	1,057	70,982		

8. Long-term debt

	December 31,	
	1980	1979
Macleon Hunter Limited and Canadian subsidiaries other than Maclean Hunter Cable TV:		
8½% convertible debentures (note 8(a))	\$49,720,000	
Bank term loans at an interest rate related to the lender's prime rate		\$18,375,000
Other indebtedness	1,793,000	1,871,000
	51,513,000	20,246,000
Macleon Hunter Cable TV Limited and subsidiaries (note 8(b)):		
Bank loan (\$1,730,000 U.S.) secured by Series "B" debentures at interest rates related to the lender's prime rate, to mature no earlier than 1986	2,022,000	3,030,000
Sinking Fund Debentures Series "C" to mature in 1989 at prime bank rate plus ¾% (but not less than 9½% or greater than 11%)	4,000,000	4,250,000
9⅞% Guaranteed Senior Notes (\$20,000,000 U.S.) secured by \$22,300,000 (U.S.) Series "D" debentures, payable in annual instalments from 1981 to 1993	21,622,000	21,622,000
10½% bank term loan (\$10,000,000 U.S.) guaranteed by Maclean Hunter Limited and payable in equal annual instalments from 1983 to 1987	11,653,000	11,707,000
Other indebtedness	229,000	1,150,000
	39,526,000	41,759,000
Macleon Hunter, Inc. and subsidiaries:		
Bank revolving line of credit (\$15,110,000 U.S.) convertible into a five year term loan, guaranteed by Maclean Hunter Limited, at interest rates related to the prime rate, payable in ten semi-annual instalments commencing in 1982	17,667,000	
Bank revolving line of credit (\$5,630,000 U.S.) against which the shares of Transkrit Corporation have been pledged, guaranteed by Maclean Hunter Limited, at interest rates related to the prime rate, due 1983	6,577,000	

Capitalized lease obligations (\$3,600,000 U.S.) bearing interest at rates from 5.5% to 8.75%, due to 1996	4,198,000	
Other indebtedness (\$746,000 U.S.)	872,000	
	29,314,000	
	120,353,000	62,005,000
Less portion due within one year	3,326,000	1,884,000
Total long-term debt	\$117,027,000	\$60,121,000

(a) Convertible debentures—

The 8½% unsecured debentures at the time of issue were convertible at the option of the holder at any time until June 15, 1990 into Class A voting shares at a conversion price of \$15.50 per Class A share. In accordance with changes in the capital structure described in note 10(a), these debentures are now convertible under the same conditions into Class X voting shares at a conversion price of \$7.75 per Class X share.

The trust indenture provides for mandatory sinking fund payments commencing in 1991 and continuing to 1999.

The debentures are not redeemable prior to June 16, 1983. During the period June 16, 1983 to maturity, the debentures will be redeemable at the Company's option under conditions specified in the trust indenture.

(b) Security on loans—

The debentures issued by Maclean Hunter Cable TV Limited have a floating charge on its assets and those of its subsidiaries, consisting primarily of \$2,900,000 of current assets and \$75,200,000 of property, plant and equipment.

Other property, plant and equipment totalling approximately \$4,230,000 has been pledged as collateral for capitalized lease obligations and other indebtedness.

(c) Principal repayments—

Principal repayments in each of the next five years are as follows:

1981	—	\$ 3,326,000
1982	—	4,801,000
1983	—	15,294,000
1984	—	8,542,000
1985	—	8,413,000

(d) Interest expense—

Interest expense includes the following amounts:

	1980	1979
Interest on debt initially incurred for a term of less than one year	\$ 1,114,000	\$1,428,000
Interest on long-term debt	8,982,000	5,032,000
Total interest expense	10,096,000	6,460,000
Interest income	2,218,000	642,000
Interest expense	\$ 7,878,000	\$5,818,000

During the year, additional interest expense of \$2,340,000 (1979 — \$1,521,000) was capitalized.

9. Reciprocal shareholdings

Two subsidiaries, CFCN and Maclean Hunter Cable TV, own a non-controlling interest in Maclean Hunter Holdings Limited, which, as at December 31, 1980, holds approximately 20% of the outstanding shares of Maclean Hunter Limited. As a result of these holdings, the Company owns an indirect interest in 6,827,400 (note 10(a)) of its own shares and has deducted its cost thereof from shareholders' equity.

10. Shareholders' equity

(a) Capital —

On April 30, 1980, shareholders approved a two-for-one stock split of the outstanding Class A and Class B interconvertible, participating, voting shares.

On December 22, 1980, resolutions were approved by shareholders which reclassified the outstanding Class A and Class B voting shares into Class X voting shares. In addition, the authorized capital of the Company was increased by the creation of Class Y non-voting shares. A stock dividend of one Class Y share for each Class X share outstanding was distributed January 30, 1981 to shareholders of record as at January 7, 1981.

Consequently, all references in these financial statements to per share data and issued share capital for 1980 and 1979 have been restated to show the effect of the stock split and Class Y stock dividend. References to numbers of Class X shares issued in connection with the stock participation plan (note 10(b)) and stock dividends (note 10(c)) are restated for the stock split and the reclassification of Class A and Class B shares into Class X.

The authorized capital is as follows:

- (i) 60,000,000 Class X participating voting shares of no par value,
- (ii) 60,000,000 Class Y participating non-voting shares of no par value,
- (iii) 428,960,020 Class C special non-voting shares with a par value of 1¢ each (note 10(c)), and
- (iv) 1,000 Common shares without par value.

The Class Y shares are entitled to receive dividends equal to those paid on the Class X shares plus an amount which will be the lesser of 5¢ per share per annum and 20% of the dividend per share paid to Class X shareholders.

Class Y shares are convertible into Class X shares on a one-for-one basis until June 30, 1981 but not thereafter except under special circumstances. Class X shares are convertible into Class Y on a one-for-one basis at any time.

Share capital transactions are summarized as follows:

(b) Senior employee stock participation plan

Under the terms of a Stock Participation Plan initially approved by shareholders in 1974, certain senior employees of the Company may purchase shares at the prevailing market price using interest free loans from the Company. These loans are to be repaid over a maximum period of 10 years. Shares purchased under the Plan are held in trust until the loans have been fully paid.

In 1979, an allocation to the Plan of 800,000 Class X shares was approved by shareholders, of which 376,900 Class X shares were issued in that year. A further 155,150 Class X shares were issued in 1980 for total consideration of \$2,146,000.

The balance of loans under the Plan at December 31, 1980 amounted to \$7,605,000 (1979 - \$6,565,000) and included \$2,942,000 (1979 - \$2,378,000) to employees who are officers (some of whom are directors). These loans are included in "long-term receivables and other assets" in the Consolidated Statement of Financial Position.

(c) Dividends

Dividends declared on the reclassified Class X shares were equivalent to 23.75¢ per share (1979 - 19.375¢).

Shareholders had the option of receiving stock dividends instead of cash. During the year, 88,640 reclassified Class X shares were issued resulting in an increase in paid up capital of \$1,234,000 (1979 - \$446,000).

In the future, Class X and Class Y shareholders will have the option of receiving their dividends in cash, as a stock dividend payable in shares of the same class held, or as a stock dividend payable in Special Class C shares which are immediately redeemed upon issuance at their par value.

(d) Share transfer restriction

Under its articles of incorporation, the Company has the right to refuse to register a transfer of any shares in the capital of the Company to a non-resident of Canada that may, in the opinion of the directors, adversely affect the

	1980		1979	
	Shares issued	Amount	Shares issued	Amount
Class X				
Balance, beginning of year ⁽¹⁾	17,218,396	\$27,827,000	16,800,000	\$23,210,000
Stock plan issues (note 10(b))	155,150	2,146,000	376,900	4,151,000
Stock dividends (note 10(c))	88,640	1,234,000	41,496	466,000
Conversion of debentures (note 8(a))	18,060	280,000		
Balance, end of year	17,480,246	\$31,487,000	17,218,396	\$27,827,000
Class Y				
Effect of stock dividend paid in January, 1981	17,480,246		17,218,396	
	34,960,492		34,436,792	
Average number of shares outstanding during the year as restated	34,828,724		33,870,668	
Less shares eliminated to reflect the Company's indirect interest in its own shares (note 9)	6,827,400		6,827,400	
Average number of shares outstanding for purposes of calculating earnings per share	28,001,324		27,043,268	

⁽¹⁾Adjusted to reflect the two-for-one stock split of April 30, 1980 and the reclassification of the Class A and Class B shares into Class X shares.

status of the Company under the licensing provisions of the Broadcasting Act of Canada, or the status as a Canadian publication of any newspaper or periodical published by the Company.

11. Commitments

(a) Future minimum lease payments under capital (note 8) and operating leases at December 31, 1980 are as follows:

	Capital leases	Operating leases
1981	\$ 650,000	\$ 3,472,000
1982	744,000	2,872,000
1983	827,000	2,404,000
1984	663,000	1,998,000
1985	558,000	1,869,000
After 1985	4,716,000	4,157,000
Total minimum lease payments under capital leases (note 8) and operating leases	8,158,000	\$16,772,000
Less interest included in capital leases	3,346,000	
Present value of minimum capital lease payments (including current instalments of \$222,000)	\$4,812,000	

(b) In 1980, the cable TV franchise for Jersey City, New Jersey, was awarded, subject to New Jersey Public Utilities Commissioners' approval, to Controlled Cable Corp. which will be 80% owned by a Maclean Hunter subsidiary in New Jersey.

(c) Consolidated capital expenditures in 1981, including expenditures for Controlled Cable Corp., are estimated at \$50,000,000.

12. Events subsequent to year-end

(a) Business acquisitions—

(i) In January 1981, the Company acquired the business of the American Communications Group from American Can Company. The assets and operations were acquired by Maclean Hunter Media, Inc. The Company has agreed in principle with certain members of management of the acquired business to sell to such management up to a 10% interest in Media.

The company, which is located in New York City, publishes "Progressive Grocer" and "C-Store Business" magazines, supplies marketing data to the supermarket industry and markets home economics instructional materials. The revenues of these businesses were approximately \$11,900,000 (U.S.) for the year ended December 31, 1980.

(ii) In January 1981, Data Business Forms Limited, a wholly-owned subsidiary of Maclean Hunter Limited, acquired 90% of the equity of Source Data Control Ltd. The company, located in Brampton, Ontario, is a supplier of custom business forms and pressure sensitive labels for data processing and packaging users. The revenues of this company were approximately \$11,000,000 for fiscal 1980.

(b) Long-term debt—

Subsequent to the year-end, Maclean Hunter, Inc. has arranged a three year revolving line of credit for

\$9,500,000 (U.S.) and an operating line of credit for \$1,500,000 (U.S.). The loans are secured by a guarantee of Maclean Hunter Limited.

13. Reclassification of accounts

Certain reclassifications have been made in the accounts in 1980 and the 1979 figures submitted for comparative purposes have been adjusted to conform with the 1980 classifications.

Auditors' Report

To the Shareholders of
Maclean Hunter Limited:

We have examined the consolidated statement of financial position of Maclean Hunter Limited as at December 31, 1980 and the consolidated statements of income, retained earnings and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the financial position of the Company as at December 31, 1980 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Toronto, Canada,
February 13, 1981

Clarkson Gordon
Chartered Accountants

Ten Year Summary

Maclean Hunter Limited (000's omitted)

	1980	1979	1978
Operating results			
Revenue ¹			
Publishing	\$150,153	\$128,095	\$103,374
Broadcasting	38,571	31,643	27,468
Cable TV	46,574	37,979	30,989
Business forms	55,605	21,148	15,155
Other	22,932	21,261	19,412
Total revenue	\$313,835	\$240,126	\$196,398
Income before extraordinary items	\$ 21,273	\$ 16,604	\$ 13,129
Extraordinary items	—	—	—
Consolidated net income	\$ 21,273	\$ 16,604	\$ 13,129
Consolidated Net Income per Quarter			
1st quarter	\$ 3,826	\$ 2,710	\$ 2,396
2nd quarter	5,154	4,384	4,135
3rd quarter	4,727	3,683	2,439
4th quarter	7,566	5,827	4,159
Total	\$ 21,273	\$ 16,604	\$ 13,129
Per share data²			
Consolidated net income:			
Basic	76.0¢	61.5¢	49.5¢
Fully diluted	71.4¢	61.5¢	49.5¢
Dividends declared	23.8¢	19.4¢	14.9¢
Weighted average number of shares outstanding (000's)	28,001	27,043	26,548
Funds flow			
Funds provided from operations	\$ 44,349	\$ 32,139	\$ 27,248
Capital expenditures:			
Business acquisitions	26,922	6,736	8,353
Additions to properties	44,060	23,374	21,444
Dividends (net)	6,663	5,261	3,970
Year-end financial position			
Current assets	\$ 94,783	\$ 70,172	\$ 58,732
Less: Current liabilities	56,597	56,844	49,383
Working capital	\$ 38,186	\$ 13,328	\$ 9,349
Property, plant and equipment	\$121,679	\$ 80,343	\$ 67,096
Total assets	283,139	200,011	165,850
Long-term debt	117,027	60,121	51,744
Minority interest in subsidiary companies	3,334	1,185	1,398
Shareholders' equity	74,793	56,523	40,623
Ratios			
Consolidated net income as a percentage of revenues	6.8%	6.9%	6.7%
After-tax return on average shareholders' equity	32%	34%	37%
Current assets to current liabilities	1.7	1.2	1.2
Long-term debt to shareholders' equity	1.6	1.1	1.3
Annual stock prices²			
High	\$13.000	\$6.000	\$5.125
Low	5.375	3.250	3.063

1977	1976	1975	1974	1973	1972	1971
\$ 83,850	\$ 71,559	\$ 62,447	\$ 55,867	\$ 52,410	\$ 46,940	\$ 41,756
21,665	18,890	15,401	13,435	11,305	10,114	8,631
23,298	18,822	14,776	12,259	10,422	8,980	7,732
12,210	12,297	11,578	11,350	6,187	3,862	2,949
17,475	17,423	15,633	12,741	10,822	9,979	7,763
\$158,498	\$138,991	\$119,835	\$105,652	\$ 91,146	\$ 79,875	\$ 68,831
\$ 9,724	\$ 7,142	\$ 6,084	\$ 5,264	\$ 5,019	\$ 4,716	\$ 3,474
—	—	(191)	(1,196)	—	—	41
\$ 9,724	\$ 7,142	\$ 5,893	\$ 4,068	\$ 5,019	\$ 4,716	\$ 3,515
\$ 1,374	\$ 1,174	\$ 970	\$ 940	\$ 921	\$ 969	\$ 469
2,703	2,001	2,099	792	1,676	1,631	1,108
1,945	1,305	1,294	731	1,054	922	756
3,702	2,662	1,530	1,605	1,368	1,194	1,182
\$ 9,724	\$ 7,142	\$ 5,893	\$ 4,068	\$ 5,019	\$ 4,716	\$ 3,515
34.8¢	23.8¢	18.1¢	12.7¢	15.7¢	14.7¢	11.0¢
34.8¢	23.8¢	18.1¢	12.7¢	15.7¢	14.7¢	11.0¢
8.3¢	7.8¢	7.5¢	7.5¢	7.3¢	6.2¢	4.7¢
27,956	29,980	32,572	32,156	32,000	32,000	32,000
\$ 21,585	\$ 18,203	\$ 16,294	\$ 12,921	\$ 10,407	\$ 9,545	\$ 7,589
18,073	13,545	692	146	6,510	5,148	5,662
15,931	13,134	9,212	8,977	5,571	4,102	1,481
2,292	2,375	2,443	2,415	2,352	1,955	
\$ 38,888	\$ 43,973	\$ 40,077	\$ 35,170	\$ 27,878	\$ 22,152	\$ 14,455
31,666	30,376	27,138	21,943	22,134	17,211	10,384
\$ 7,222	\$ 13,597	\$ 12,939	\$ 13,227	\$ 5,744	\$ 4,941	\$ 4,071
\$ 53,037	\$ 45,888	\$ 38,907	\$ 34,217	\$ 29,253	\$ 24,023	\$ 21,871
130,100	123,626	112,454	102,721	90,295	72,666	54,353
47,281	38,123	26,545	28,942	21,095	12,494	11,500
1,746	9,299	13,302	12,524	11,980	11,513	5,744
30,078	28,230	30,047	26,331	23,974	21,307	17,444
6.1%	5.1%	4.9%	3.9%	5.5%	5.9%	5.1%
33%	25%	21%	16%	22%	24%	21%
1.2	1.4	1.5	1.6	1.3	1.3	1.4
1.6	1.4	0.9	1.1	0.9	0.6	0.7
\$ 3.313	\$ 2.433	\$ 2.345	\$ 2.563	\$ 4.000	\$ 4.531	\$ 2.500
1.750	1.375	1.250	1.000	2.033	2.156	2.094

²Adjusted to reflect the two-for-one stock split of April 30, 1980 and the Class Y stock dividend of January 30, 1981

Directors, Officers

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- *Arthur J. Little, Toronto
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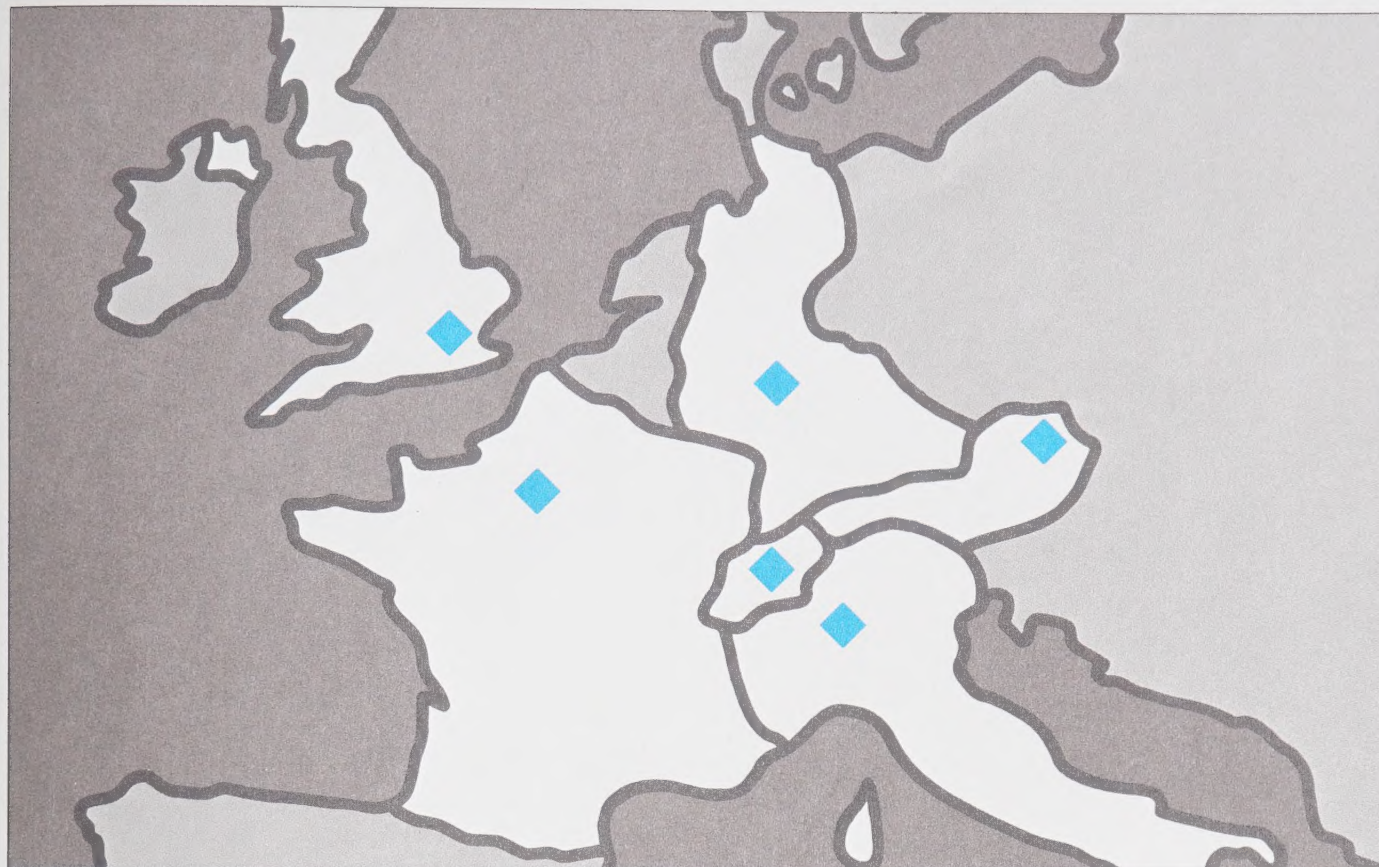
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- (914) 592-6400
- *Edward Nymark, Toronto *Chairman of the Board*
- *Frank Neubauer, Mount Kisco, New York *President*
- *Donald G. Campbell, Toronto
- *Frederick T. Metcalf, Puslinch, Ontario

*Director



Company Addresses

Toronto

Maclean Hunter Limited
481 University Avenue
Toronto, Ontario M5W 1A7
(416) 596-5000

Maclean Hunter Limited
Special Interest
Publications
425 University Avenue
Toronto, Ontario M5G 1T6
(416) 596-5022

Maclean Hunter Cable TV
Limited, 27 Fasken Drive
Rexdale, Ontario M9W 1K7
(416) 675-5930

CKEY
1 Yonge Street
Toronto, Ontario M5E 1G1
(416) 361-1281

Data Business Forms
Limited, 5830 Campus Rd.
Mississauga, Ont. L4V 1A2
(416) 677-2110

Design-Craft Limited
20 Butterick Road
Toronto, Ontario M8W 3Z8
(416) 252-3361

National Book Centre
66 Northline Road
Toronto, Ontario M4B 3E6
(416) 751-3530

Source Data Control Ltd.
2 Shaftsbury Lane
Brampton, Ont. L6T 3X7
(416) 791-3151

Telephone Communicators
Canada Limited, Suite 1506
180 Dundas Street West
Toronto, Ontario M5G 1Z8
(416) 596-1515

Quebec

Maclean Hunter Limited
625 President Kennedy
Avenue
Montreal, Quebec H3A 1K5
(514) 845-5141

Savoy Business Forms
Limited
131 Collin
St. Jean-sur-Richelieu
Quebec J3B 6Z4
(514) 346-1121

Ottawa

CKOY
Suite 1900, 112 Kent
Tower B, Place de Ville
Ottawa, Ontario
(613) 238-7482

Maclean Hunter Limited
Financial Post & Business
Publications
Suite 311
151 Sparks Street
Ottawa, Ontario K1P 5E3
(613) 236-0895

Maclean Hunter Limited
Maclean's Magazine
165 Sparks Street
Room 507
Ottawa, Ontario K1P 5B9
(613) 233-8401

Kitchener

CHYM Greatlakes
Broadcasting System
Limited
305 King Street West
Kitchener, Ontario
N2G 1B9
(519) 743-2611

Chatham

CFCO Greatlakes
Broadcasting
System Limited
21 Keil Drive Box 630
Chatham, Ontario N7M 5K9
(519) 352-3000

Calgary

Maclean Hunter Limited
Oilweek
200-918-6th Avenue S.W.
Calgary, Alberta T2P 0V5
(403) 266-5621

Maclean Hunter Limited
Financial Post
Suite 305
999 8th Street S.W.
Calgary, Alberta T2R 1J5
(403) 244-8310

CFCN Communications
Limited
Broadcast House
P.O. Box 7060 Station E
Calgary, Alberta T3C 3L9
(403) 246-7111

Edmonton

Maclean Hunter Limited
10116-105th Avenue
Suite 202
Edmonton, Alberta
T5H 0K2
(403) 428-6886

Maclean Hunter Limited
Financial Post
Bank of Montreal Building
Suite 512
10089 Jasper Avenue
Edmonton, Alberta
T5J 1B2
(403) 420-6320

Vancouver

Maclean Hunter Limited
Suite 600
1111 Melville Street
Vancouver, British
Columbia V6E 3V6
(604) 683-8254

Maclean Hunter Limited
Special Interest
Publications
202-1132 Hamilton Street
Vancouver, British
Columbia V6B 2S2
(604) 687-1581

Halifax

Maritime Broadcasting
Company Limited
5230 Tobin Street
Halifax, Nova Scotia
B3H 1S2
(902) 422-1651

U.S.A.

Maclean Hunter Limited
Financial Post
National Press Building
529-14 Street Room 737
Washington, D.C. 20045
(202) 347-6930

Maclean Hunter Limited
Maclean's Magazine
National Press Building
Room 1224
Washington, D.C. 20045,
(202) 347-4291

Maclean Hunter Media Inc.
Progressive Grocer and
Maclean Hunter Learning
Resources
708 Third Avenue
New York, New York
10017
Progressive Grocer:
(212) 490-1000
Maclean Hunter Learning
Resources:
(212) 599-6599

Maclean Hunter Publishing
Corporation
300 West Adams
Chicago, Illinois 60606
(312) 726-2802

Metro Cablevision Inc.
17200 Ten Mile Road
East Detroit, Michigan
48021
(313) 772-1023
Suburban Cablevision
43 Prospect Street
East Orange, New Jersey
07017
(201) 672-3033

Transkrit Corporation
P.O. Box 12 - Hunter Lane
Elmsford, New York 10523
(914) 592-6400

Wayne Cablevision Inc.
10501 Allen Road
Allen Park, Michigan 48101
(313) 383-8063

United Kingdom

Maclean Hunter Limited
30 Old Burlington Street
London, England
W1X 2AE
01 434-2233

Austria

Media-Daten
Verlagsgesellschaft MbH
Weimarer Strasse 27,
1180 Vienna
331-5267

France

Tarif Media S.A.
6 Avenue Matignon
75008 Paris
359-90-12

West Germany

Media-Daten Verlag GmbH
Heidsamer Strasse 49
Postfach 3149
6500 Mainz-Gonsenheim
(06131) 46244

Italy

Dati e Tariffe Pubblicitarie
Viale Scarampo 19
Milano 20148
498 2 316

Switzerland

Media-Daten AG
Malzstrasse 21
Postfach 8045
Zurich
(01) 66 15 22/23

Investor Information

Maclean Hunter Limited

Maclean Hunter Limited is a diversified communications company with operations which include publishing (business publications and consumer magazines), broadcasting (radio and television), cable television, business forms, book distribution, industrial and trade shows, commercial printing, radio paging and a number of additional communications and information services. Although the primary base of operations is Canada, the Company has significant operations in the United States (business publications, cable television and business forms) and in the United Kingdom (business publications).

Capital Stock

The company has two classes of participating shares: Class X voting shares and Class Y non-voting shares.

The Class Y shares are entitled to receive dividends equal to those paid on the Class X shares plus an amount which will be the lesser of 5¢ per annum and 20% of the dividend per share paid to Class X shareholders.

Class Y shares are convertible into Class X shares on a one-for-one basis until June 30, 1981 but not thereafter except under special circumstances. Class X shares are convertible into Class Y shares on a one-for-one basis at any time.

Dividends

The Company paid total dividends per common share of 23.75¢ in 1980 and 19.375¢ in 1979.

In the future, Class X and Class Y shareholders will have the option of receiving their dividends in cash, as a stock dividend payable in shares of the same class held, or as a stock dividend payable in Special Class C shares which are immediately redeemed upon issuance at their par value.

Debentures

The 8½% unsecured and redeemable debentures are convertible at the option of the holder at any time up to the close of business on June 15, 1990, or, if called for redemption, on the last business day preceeding the date specified for redemption, whichever is earlier, into Class X shares of the Company at a conversion price of \$7.75 per Class X share.

Listing of Stock and Debentures

The Toronto Stock Exchange
Montreal Stock Exchange

It is the Company's intention to apply for a listing of its Class Y shares in the NASDAQ system in the United States by March 31, 1981.

Stock Symbols

Mclan H X
Mclan H Y

Registrar and Transfer Agent for Class X and Class Y Shares

Montreal Trust Company
Montreal, Toronto, Calgary

Registrar for Debentures

Montreal Trust Company
Montreal, Toronto, Winnipeg, Calgary, Vancouver

Residency of Shareholders

At December 31, 1980, according to the Company's records, the distribution of shareholders and debenture holders by country of residence was as follows:

	Shareholders	Debenture Holders
Canada	99.6%	99.7%
United States	0.2%	0.2%
Other	0.2%	0.1%
	<u>100.0%</u>	<u>100.0%</u>

Share Transfer Restriction

Under its articles of incorporation, the Company has the right to refuse to register a transfer of any shares in the capital of the Company to a non-resident of Canada that may, in the opinion of the directors, adversely affect the status of the Company under the licensing provisions of the Broadcasting Act of Canada, or the status as a Canadian publication of any newspaper or periodical published by the Company.